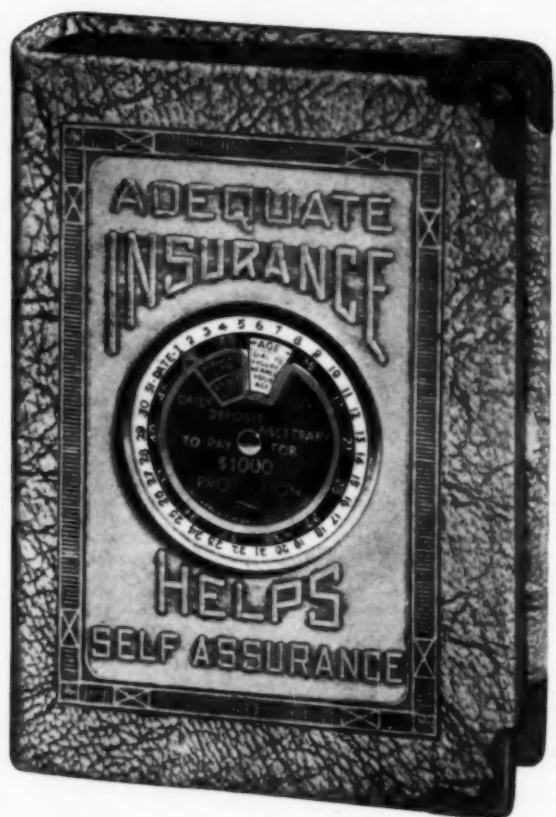


The Nation Insurance Writer

LIFE INSURANCE EDITION

FRIDAY, MAY 26, 1933

COMBINATION CALENDAR & INSURANCE
— DIAL BOOK BANK —



Size, 4 1/4 x 3 x 7/8 Inches; Coin Capacity about \$25.00;
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The BANKS may be used in large cities or small hamlets. Agents report wonderful results everywhere.

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K. Z. Howland, Lewistown, Maine, with Sun Life of Canada, writes, "My last 5 sales were completed by using Savings Banks — total Insurance \$17,673 — Premium \$350." Every agent can BUST his

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Hundreds of agents writing 12 to 30 apps per month with them. We can prove it!

Eighty-one Home Offices endorse them. A trial will convince you.

There will be no SUMMER SLUMP if you use the INSURANCE DIAL BANKS.

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Size as shown, holds \$12 to \$18 in assorted coins.

Send for
Sample Now—

\$1.00 for Book Bank
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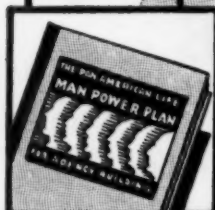
BANTHRICO INC., 560 W. Lake St., CHICAGO, ILL.
Enclosed for Book Banks Or Send Full Information
Name Address Company Represented
Send Cash, Stamps or Check With This Order

ADVANTAGES ALL MANAGERS SHOULD HAVE

Check these *PAN-AMERICAN AIDS* for

AGENCY BUILDING

SECURING AGENTS



Securing new men is an ever-important phase of agency work and is also one which may consume more of the Manager's time than he can afford. The Pan-American maintains as a regular agency service what is known as its Man Power Plan, a direct-mail system which saves the Manager an untold amount of time in recruiting work. The plan secures new agents and lays a groundwork for rapid training in the business—doing its work among prospective agents whose qualifications are known to the Manager.

SALES HELPS



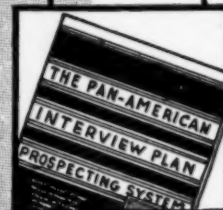
The modern Life Underwriter sells not by word of mouth alone. His sales talks are accompanied by illustrations, by charts, analyses, pamphlets and other printed matter. Pan-American printed sales helps cover every sales angle—every policy issued by the Company. Many calls are saved the Fieldmen by these aids.

TRAINING



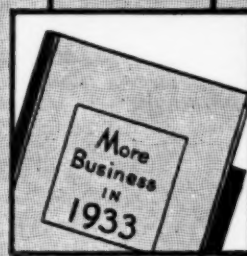
New Fieldmen of the Pan-American are put to work only after proper training. The Home Office provides this training through its regular course of instruction, the Company's Confidential Training Guide, which gives beginners the right knowledge of Life Insurance fundamentals. This course is supplemented by other matter furnished Managers regularly through weekly bulletins, which also keep information on Company practices up to date. Regional conferences likewise add to the Fieldman's training.

PROSPECTING



Every possible prospecting aid is extended members of Pan-American agencies. Combining all such aids under one system is the Pan-American Interview Plan—a positive-working service conducted in the Home Office of the Company. For more than ten years this prospecting system has been helping Pan-American Fieldmen write Life Insurance. Sales interviews are guaranteed with twenty of every hundred prospects approached through the system. In 1932 it paid users a return of \$13.40 per dollar of service fees.

WORK PLANS



Planning is recognized as one of the most essential steps in Life Underwriting. Year-to-year plans are features of Pan-American service to members of its agencies. These plans provide definite daily working schedules, tying in with other company sales helps and services to form complete systems for the use of Fieldmen.

The Pan-American Contract for Managers

Of course, aids for agency building are not the sole determining factors in the success of the newly appointed Field Manager. The contract under which he operates is of prime importance.

In furthering its agency development program, the Pan-American has devised during recent months a contract which goes far in assuring successful establishment of new field offices. Unusual allowances in the early years more than offset the usual expenses of organization. The contract, however, provides for no salary. It pays only for performance, but for this it pays handsomely. Agencies established under this contract are proving its value to the new Manager joining the Pan-American Field Organization.

Fieldman meet present conditions; the Pan-American rehabilitation disability clause providing for disability income of \$10.00 per thousand monthly up to 75% of the face of the policy is a valuable sales feature.

To the right are listed the states comprising the Pan-American's domestic territory. Inquiries from experienced Managers—between the ages of 25 and 45 and, preferably, married—will be welcome. Enclose photograph with first communication and state age, experience and qualifications. New Managers are expected to be completely self-sustaining until agencies are on a firmly established basis.

Address communications to
TED M. SIMMONS, Manager United States Agencies

DOMESTIC TERRITORY

Alabama, Arkansas, California, District of Columbia, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Minnesota, Mississippi, Missouri, New Mexico, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Virginia and West Virginia.



PAN-AMERICAN LIFE INSURANCE CO.

CRAWFORD H. ELLIS
President

NEW ORLEANS, U.S.A.

EDWARD G. SIMMONS
Vice Pres. & Gen. Mgr.

The National Underwriter

LIFE INSURANCE EDITION

Thirty-Seventh Year—No. 21

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, MAY 26, 1933

\$3.00 Per Year, 15 Cents a Copy

Expect Moratoria to Be Continued

Commissioners at June Meeting in
Chicago May Recommend More
Liberal Rules

SEEK MORE FLEXIBILITY

Ideal Arrangement Seen as Protecting
Companies, But Making Possible
Individual Action

NEW YORK, May 25.—It seems unlikely that the strong opposition of many western and southern companies to a complete lifting of the policy loan ban will encounter any very vehement anti-moratorium sentiment from the eastern companies when the subject comes up at the commissioners' meeting in Chicago June 1-2. While antagonism toward the moratorium centers in the east, yet the attitude here lacks the intensity of conviction of those who favor continuance of the restrictions in substantially their present form.

Each company in this region, of course, has its own attitude on the subject but it is certain that none of the group generally thought of as eastern companies would, on their own account, favor continuing any restrictions whatever.

Continuance Is Expected

So many factors will enter into the decision which will finally be reached by the commissioners at their meeting that predictions are not made with much assurance. However, from a reliable source comes the opinion that the commissioners will not remove the restrictions entirely but will recommend a set of regulations much more liberal than the first model they agreed on but which will protect life companies effectively from demands for loans or surrenders for the purpose of speculation, hoarding, or any purpose not dictated by actual necessity.

Some states have already gone considerably further than the commissioners' original model in liberalizing their rules, and the experience of these states will undoubtedly be a factor in getting a line on the effect of a general liberalization.

Considered Elastic Method

This would mean a very great simplification of existing rules and regulations and less chance of diversity between the regulations of various states. Essentially it would mean that companies would merely be prohibited from granting loans or surrenders except in case of genuine need.

The practical advantage of this arrangement would be its elasticity, which would permit companies in a good liquid position to interpret "genuine need" almost as liberally as they like and at the same time allow the less liquid company to scrutinize each loan or surrender de-

(CONTINUED ON PAGE 22)

Serious Questions Arise Over Moratorium Issue

The question whether the moratorium on cash and loan values shall be declared off in June is agitating the minds of the company and state officials and there seems to be as sharp a division on whether this shall be done now as when the moratorium was first considered. A considerable number of companies feel that recovery in business and improvement in cash position are not yet sufficient to justify action while other companies are chafing at the bit over what they feel has already been too great a delay. Undoubtedly the commissioners of many states will, if they feel it is to the interest of their home companies, continue the moratorium even though the majority may be in

favor of taking it off. In such an event, the result would be that most of the larger companies, which are also the ones which carry the largest policies and have the largest values, would declare for an unlimited granting of cash and loan values under their policy contracts and thus many of the smaller companies would be thrown on the defensive. This would result, very likely, in the larger companies being drained abnormally of their liquid assets and this might be to their disadvantage because while they would gain in favor with the public the policies on which loan values had been granted would be subject to a greater extent to lapse than would those of the more illiberal companies whose policies would perforce be kept on the books because no cash or loan could be secured on them.

Pools Formed in the East

It is stated on pretty good authority that one or more pools have been formed among some of the larger companies of the east which have agreed to protect and help one another in case abnormal demands for cash are made.

It is also stated that several large companies are so determined that the moratorium shall be taken off that they are prepared to give cash and loan values even against the mandates of their own state insurance departments and then test their rights to do so in the courts. Even should the insurance departments act in a body against the raising of restrictions the situation might come to pass that their rulings would be defied by the companies which are anxious and able to make cash surrenders and loans in accordance with their contracts.

Can Borrow from the R. F. C.

It is true that the companies which are not in a sufficiently liquid position can still borrow from the Reconstruction Finance Corporation but there is a growing disinclination on the part of many companies to pay the high interest rates and put up the large amount of securities needed to secure Reconstruction Finance loans. The Reconstruction already actually owns outright the stock of one life company, the Detroit Life, and there is a feeling against letting the corporation secure too great a hold on the life insurance business through its loans. Furthermore, a company borrowing from the R. F. C. has the fact used against it by competitors.

Coupled with the fact that the A. M. Best Company, the insurance reporting service, will shortly release its revised ratings it is feared that a situation may develop with some companies which might result disastrously to them, even

though if given time they would solve their difficulties. If Best's ratings should be unfavorable to any number of companies and if lifting the moratorium would result in crippling their cash position a situation might easily be created which would be serious to some companies. These companies, however, if lifting the moratorium were delayed until the country has had more time to feel the effects of the policies for relief which have been instituted by the Roosevelt administration, would pull through.

Investment securities are being gradually reestablished on something like their normal basis and also real estate and other values are climbing higher so that market values of all kinds of more or less doubtful investments are steadily coming closer to book values. Companies which feel that they could not stand a heavy drive on cash surrenders and loans at the present time are afraid that something like a squeeze may be brought about which if the lifting of the moratorium were delayed would not be necessary. They also feel that the companies which are in a stronger cash position than they are seem inclined to apply destructive methods which ought not to be used for the good of life insurance as a whole yet which might be to their own selfish benefit. On the other hand, the companies which have the money and want to pay it out feel that they are being penalized for the benefit of the weaker brethren who ought to be made to suffer for their lack of foresight in not placing themselves in a more liquid position.

It can be stated that 98 percent of the

(CONTINUED ON LAST PAGE)

Commissioners' Program for Meeting in Chicago

Additions announced by Secretary Jess G. Read to the program for the National Convention of Insurance Commissioners meeting in Chicago, June 1-3, include a paper on "Interstate Liquidation" by G. S. VanSchaick of New York on the second morning, Deputy Commissioner C. A. Gough of New Jersey and Commissioner C. R. Horswill of South Dakota will discuss the paper of M. L. Brown of Massachusetts on "Insurance Supervision" on Thursday, the first morning of the convention. The paper of Commissioner W. V. Knott of Florida on "Investments of Insurance Companies," which is scheduled for Friday morning, will be discussed by H. L. Davis, District of Columbia, and R. L. Daniel, Texas.

Lifting of Ban in June Is Opposed

Majority of Easterners Responding to Inquiry Against Immediate Change

FEAR THE CONSEQUENCES

Several Favor Reinsuring or Liquidating
Weak Companies Now to Avoid
Failures After Removal

THE NATIONAL UNDERWRITER has sounded out a number of leading life insurance executives in various parts of the country as to their attitude toward the moratorium and particularly their idea as to whether the restrictions should be lifted by the National Convention of Insurance Commissioners at their meeting in Chicago beginning June 1.

Although the expressions of opinion were not numerous enough to be regarded as anything like a referendum, the majority of executives, including those of eastern companies, are not in favor of lifting the restrictions in June.

Wants Immediate Lifting

In contrast to the majority opinion, however, as indicated in the expressions received by this paper, is the opinion of one eastern executive that the moratorium should be lifted immediately so far as cash loans and surrenders are concerned. This executive estimates that there are at least 50 companies that could not survive if the restrictions are lifted and he questions whether they can survive in any event. Although it is true, this executive states, that any considerable number of companies failing would have an adverse effect on the business as a whole, nevertheless if it is inevitable, then he believes that it should be suffered and forgotten as quickly as possible.

This executive states that if the moratorium were continued merely for the purpose of extending the time for the weak companies to reinsure or consolidate with stronger institutions, then he would be in favor of continuing the moratorium beyond June. He expresses the belief that the insurance departments should practically force consolidations and reinsurance agreements as quickly as possible to preclude the companies from becoming seriously impaired.

Substantial Investments Made

This executive states that his company has made substantial investments since the first of January and still has much more cash on hand than the amount available on Jan. 1.

The executive of another large eastern company, on the other hand, takes the position that the moratorium should not be lifted in June. He states that the banking situation is far from normal in several communities and there are indications that where it is normal, banks

(CONTINUED ON PAGE 20)

Safety of Life Companies Good Story to Tell Public

MANY FACTORS PREVENT LOSS

Manager Carson of Equitable of New York Speaks at Sales Congress in Illinois

Life insurance is safe because of fundamental principles which life agents should explain in language that the public can understand, E. L. Carson, agency manager Equitable of New York in Milwaukee, stated in a talk on "The Financial Security of Life Insurance" at the sales congress of the Illinois Association of Life Underwriters in Bloomington, Ill.

He said the life insurance institution has demonstrated conclusively that it is the only financial institution with the capacity and ability successfully to meet an unusual situation, that it has stood like a "great rock in a weary land."

Gives Factors of Safety

He finds life insurance safe because the very nature of the business makes it not only possible but necessary for life companies to buy for investment and not for speculation, for assured return and not appreciation. Life insurance also is safe because it is now and has been for many years properly regulated. Another reason for safety is great diversification of investments. There is a margin of safety represented by the difference between guaranteed interest and that actually earned, varying from 1½ to 2 percent.

Agents often hear the question asked, "What would happen if there was a run on your life insurance company?" Mr. Carson said that there has been a run on life companies since November, 1929, during which every life company worth while has met every demand made upon it.

Stresses Daily Cash Income

Perhaps the most important factor of safety is the daily cash income. The public, he said, does not understand that the current income of life companies is always greater than the current outgo.

The public wants to know about investments, particularly mortgage and railroad securities. Life companies have invested in farm mortgages less than 8½ percent of assets, and these are the most conservative and best selected mortgages in the country. Life companies today have under foreclosure less than half of 1 percent of their total invested assets. Frequently the public thinks of a foreclosure as a loss, which it is, Mr. Carson said, but not to the loaning company.

The public has not been informed that railroad securities owned by life companies in the main are the senior or underlying bonds issued against the property. This is important because in addition to these there have been issued junior bonds, equipment notes, preferred and common stock, and in some cases first preferred stock. The underlying bonds owned by life companies in the main precede all other issues.

The issue is not vital, he said, since only 16 percent of total invested assets of life companies is in railroad securities. He said 10 percent of all railroads involved could fail and it would represent less than 2 percent of the total investment, whereas the margin of safety covers many times that hazard.

Policy loans, which have been termed a great problem, actually are considered choice investments by all life companies, Mr. Carson said. In view of all the publicity given policy loans in the last three years, he said, it is interesting to learn that at the end of last year 67 out of every 100 policyholders in this country had not made any loans at all on their policies.

The remaining investments of life companies are in government bonds, in a very limited amount of guaranteed and

Louis Martin Manager of Office in Cincinnati



LOUIS H. MARTIN

Louis H. Martin has been appointed manager of the Cincinnati office of THE NATIONAL UNDERWRITER, succeeding Ralph E. Richman, who establishes its New England bureau at Hartford. For a number of years Mr. Martin has had charge of the book department. He is a grandson of the late Dr. H. C. Martin, founder of "Rough Notes" of Indianapolis, and represents the third generation of his family engaged in insurance publishing work. His father was the late L. H. Martin, who was associated with Rough Notes for many years and took charge of its supply department. "Rough Notes" sold its insurance supplies to the Globe Wernicke Company of Cincinnati and Mr. Martin went there in charge of the insurance department. Louis Martin is a graduate of the University of Cincinnati and is a young man of splendid attainments. His uncle, Sanford Brown of Cincinnati, is a director and attorney for The National Underwriter Company.

preferred stocks, in real estate owned for home office purposes and cash on hand, he said.

C. O. VanGilder, 63, district superintendent in Racine and Kenosha counties with headquarters in Racine, Wis., for the Old Line Life of Milwaukee, died there Friday. He joined with Old Line Life in 1920.

American Institute Meeting

At the spring meeting of the American Institute of Actuaries at the Edgewater Beach Hotel in Chicago June 1-2, there will be a discussion on the paper that was presented by E. F. Estes at a previous meeting on "Annual Dividends—An Asset Share Method of Distribution." There are important topics coming up for consideration as follows:

1. Persistency. What has been the recent experience with reference to the persistency of (a) paid-up policies (not reduced paid-ups); (b) premium paying policies which have been in force for a number of years; (c) policies of \$50,000 and more; (d) low rate policies with an automatic increase in premium at or about age 60?

2. Mortality. What will be the probable effect on mortality as a result of the abnormally large volume of terminations which have occurred during the recent past? Is the mortality likely to differ for the groups of business described under A, B, C and D of question 1?

3. What changes are being made in limits of gross issue and net retention?

4. Annuities. (a) What are the current developments? (b) Does a general increase in annuity rates in this country impend similar to that adopted by the British companies upon the refunding of the government loans? (c) Upon what

Beer Hazard Is Considered at Underwriters Meeting

SPRING SESSION IN BOSTON

Home Office Men Discuss Papers on Selection, Stress Need for Continuing Caution

Legalized beer took an important place in the program of the Home Office Life Underwriters Association spring meeting at Boston May 22-23. W. F. Rohlfis of the New York Life presided over the opening session. Five papers were presented and discussed.

President W. L. Crocker of the John Hancock Mutual was unable to appear as guest speaker at the noon luncheon and his place was taken by F. E. Nason, vice-president of that company.

R. H. Flynt, Union Central, said prior to prohibition 92 percent of liquor drunk in this country was beer and therefore it is not surprising that the manufacture and sale of legalized beer has considerably interested life companies from the underwriting standpoint.

Attitude More Liberal

There appears to be a slight tendency to view a little more liberally as insurance risks persons engaged in the manufacture of beer, probably due to the belief that breweries that have persisted have improved machinery and management and that new breweries to be built or old ones that are renovated will include the best new methods. The consensus is, however, that excepting executive officers or persons whose duties do not take them into the plant, most brewery workers can be accepted only with some extra rating, there being potential hazards such as dust, heat, humidity, cold, dampness, bodily strain, burns, falls and cuts from broken bottles, in addition to the intemperance hazard.

Judgment Factor Hazardous

An appraisal of hazards arising in the distribution and sale of beer is much more difficult, caused by lack of uniformity in state legislation and regulation, varying degree of enforcement, exposure to hazards from racketeer activities in larger cities. Important factors in reaching conclusions now are environment, character of establishment and class of patrons.

R. D. Murphy, Equitable of New York, read a paper on selection by hab-

(CONTINUED ON PAGE 13)

Program for Big Banquet for Palmer Is Announced

C. H. BURRAS IS TOASTMASTER

Surprises in Store at Function in Honor of Illinois Insurance Superintendent in Chicago

The program for the big testimonial dinner for Superintendent Palmer of Illinois in Chicago the evening of May 31 has been pretty well formulated.

The toastmaster will be Charles H. Burras, president of Joyce & Co. of Chicago, who has functioned with great sparkle in that capacity for several years at the banquet during the casualty convention at White Sulphur Springs, W. Va.

He will be introduced to the guests by L. E. Yager, president of the Chicago Board of Underwriters, who is chairman of the general committee for the Palmer banquet.

Speakers Are Named

The speakers will include W. D. Williams of Rockford, Ill., western manager Security Fire of New Haven and president of the Western Underwriters Association; O. E. Aleshire of Parker, Aleshire & Co. of Chicago, former president of the Chicago Board; H. A. Behrens, president of the Continental Casualty and Continental Assurance; Garfield Brown, insurance commissioner of Minnesota, and president of the National Convention of Insurance Commissioners; A. V. Gruhn of the American Mutual Alliance and Mr. Palmer.

A special invitation was sent to Governor Horner of Illinois, but he finds he will be unable to attend.

In addition to the announced program, the committee states that surprise entertainment of a high order is in store.

Acceptances are being received in large numbers by J. S. Glidden, manager of the Chicago Board of Underwriters in the Insurance Exchange. Indications are that practically all the insurance commissioners will be on hand.

Advertising Conference to Hold Regional Conferences

As the result of a mail vote of the executive committee of the Insurance Advertising Conference, it has been decided to postpone indefinitely the annual meeting scheduled for Chicago in September, it was announced by President S. F. Withe. In order that members may not be deprived of the opportunity value in meeting the present unusual conditions it has been decided to hold instead during the fall a series of informal one-day regional meetings whenever a sufficient number of members indicate a desire for such a discussion group. These will be modeled after the southern round table recently held by the southern members at Chattanooga, Tenn.

It is hoped that conditions will have improved sufficiently to hold the annual meeting for the election of officers and the transaction of any other necessary business during the winter months.

The life group of the Insurance Advertising Conference will meet in Chicago Sept. 25-27 as originally planned, despite the cancellation of the general convention, according to Chairman K. H. Mathus of the life group. Members of the life group feel that present conditions make cultivation of public relations, conservation of business and sales promotion especially pertinent at this time.

Des Moines Seeks 1935 Meeting

The Des Moines Life Underwriters Association will seek the 1935 annual convention of the National association for Des Moines, Ernest R. Gray, Iowa national committeeman, has announced.

Heavy Burden Put on Company Heads

Conditions of Past Four Years Have Not Changed Basic Responsibility

LEADERSHIP VITAL TODAY

President Hall of Lincoln National Discusses Problems at Sales Congress of Illinois Association

The unusual conditions of the last four years have not changed the basic responsibility of the life company management, President A. F. Hall of the Lincoln National stated in his talk on "Problems of Life Insurance Companies from the Standpoint of Home Office Executives," at the sales congress of the Illinois Association of Life Underwriters in Bloomington, Ill.

These responsibilities are to the ownership, whether stockholders or policyholders, for successful results, to policyholders for fair rates, to the business as a whole for constructive and ethical action and to society for economic and social advancement. All these must be observed, he said, and any management tendency that runs counter to them in the end will spell ruin to the business and damage to their interests at stake.

Stresses Leadership Problem

One of the most important problems today is leadership. There is a duty on the part of every life insurance man jealously to guard the good name of life insurance. Not long ago the name "legal reserve life insurance" was synonymous in the public mind with absolute safety and integrity. Here and there it is now being questioned, but Mr. Hall finds in the main the public's faith in life insurance remains firm, although the public wants to know who and what are behind the institution managing their funds.

Scan Investment Portfolios

In view of the publicity given home office salaries, he said, there is great need for discretion so necessary economies may be effected without wrecking the organization. Policyholders and stockholders have a right to expect the most rigid economy, but nevertheless, he said, companies have always endeavored to attract and keep the best men available to direct the many phases of the business and have realized that cheap help is usually the most expensive. To slash salaries indiscriminately might drive the best men out of the business and prove to be false economy.

Guarding Against Fraud

Recent events have placed added emphasis on investment of funds. There has been a material change in the investment policy caused by continued shrinkage in normal excess of income over outgo and the abnormal demands of policyholders for cash, forcing unusually liquid condition of assets. Mr. Hall emphasized there must be moderation in this direction as successful operation of life companies contemplates a certain minimum return upon funds. Emphasis is falling not so much on investment of new funds as supervision of those already invested. No security any longer can be regarded with complacency.

Mortgage foreclosures have given executives a new problem, that of property management, which requires a well designed policy. This is merely temporary, as when normal times return, prop-

Congress Speaker



ARTHUR F. HALL
President Lincoln National Life

President Hall of the Lincoln National of Fort Wayne, Ind., was on the program in the sales congress of the Illinois Association of Life Underwriters at Bloomington, Ill.

erties will be disposed of as opportunity offers.

Mr. Hall said sound, careful underwriting is a major executive problem today. It has been observed that many who apply for insurance do not appear to have legitimate need for the coverage, but in too many cases it is found the amount applied for is out of reasonable

(CONTINUED ON PAGE 13)

Moratorium Complex Based On Suppositions—Not Facts

By CHARLES D. SPENCER

Associate Editor, The National Underwriter

What about this moratorium complex? I decided to get some first hand information on it so I went out and cold canvassed several Chicago office buildings, asking both the high and low why they weren't buying life insurance. "No money" was the dominant answer and in nearly all cases no one mentioned the moratorium until I brought it up and then few were greatly concerned over it. Most of the people I saw took the moratorium casually and regarded it as a logical step in view of the general situation.

A prominent patent lawyer was a forceful exception to the rule and he seemed to welcome the opportunity to criticize the business. As I sat there listening to his abusive comment, I realized how an agent happening upon this man might easily be inflicted with a severe moratorium complex that he couldn't shake for days. But this man was an exception; he and another lawyer I talked with, were more incensed over the principle of violation of contracts and the theoretical rather than the practical aspect. The patent lawyer was also a violent opponent of the banking moratorium and he told me how he had taken some liberty bonds to the Federal Reserve Bank and unsuccessfully demanded cash during the bank crisis. A person of that type isn't a logical prospect to solicit now, although he has money.

Agents shouldn't get the attitude that all people feel antagonistic toward the moratorium just because a few lawyers and semi-prominent persons eloquently oppose it. The opposition always talks

the loudest even when it is in a decided minority as in the case of the moratorium. My survey indicated that over 95 percent of the people accept the moratorium with a philosophical attitude without saying much, while those who did all the condemning represented less than 5 percent.

A minority brought up the thought that life insurance is no longer a preferred investment, although its protection qualities are unhampered. A consulting engineer said that he had always felt that life insurance was at least one security you could always get cash upon until the moratorium situation.

The main reason why most of the people I talked with own life insurance is for the protection feature and not because it is a good investment. Although life insurance men have been stressing the investment side, the average man still thinks of life insurance as family protection in case of his death.

Uses It as Excuse

One of the advertising men I called upon admitted that he had been using the moratorium as a method of getting rid of life agents although he didn't really think it a serious matter.

A machinery salesmen brought out a stack of lapsed policies which he showed me as evidence of his belief in life insurance. He said he had been forced to borrow on them and they had furnished him with the money to live upon. Life insurance has done much in the past to relieve policyholders and it must be given recognition for the banking facilities it offered up until the moratorium.

A clerk in one office said lack of money was the reason he didn't buy more life insurance. If he had more money he would buy. He had seen something about the moratorium in the newspapers but didn't know much about it. It did not seem to affect him very much and he said that fact alone wouldn't stop him from purchasing more life insurance.

Investment Man Comments

There was an investment man who brought up the moratorium as soon as I mentioned life insurance, but of course he would because life insurance has been offering security men a lot of competition in the last few years. However, personally he was very much in favor of life insurance and plans to buy more later.

An advertising man I talked to was well informed about insurance. He was not bitter toward the moratorium or even disturbed about it. He was a strong believer in the protection feature. An accountant had heard of the moratorium but didn't know the details and he took it very casual. Lack of money hindered him from buying more life insurance. A steamship passenger agent didn't know about the moratorium, but when I called his attention to it he remembered seeing something about it in the newspapers.

Might Make a Difference

A contractor brought out an interesting slant by saying if he needed money and had to borrow if he might be concerned over the moratorium, but as it was he didn't care much. However, men who need to borrow money are not good prospects for future sales, so no business is being lost on that account. The contractor said the average salesman who tries to sell him life insurance doesn't know enough about it. He seeks to make a sale, rather than fit life insurance to the prospect's needs, so he doesn't get to first base.

An industrial man, representing an-

(CONTINUED ON PAGE 13)

IDOLATRY'S SPUR

One of our topmost producers works in affectionate dread of his twelve-year old son. This youngster sees the Agency's bulletins, they going to the home, and with scrutinizing eye watches his father's record. If it isn't quite up to the mark that father has made for himself, or is a trifle low compared with the figures of other producers, sonny calls his father to stern and strict account. Father, adoring the boy, so desires to measure up to his son's estimate of his stature that, more than for money, or for Agency or Company prestige, he drives his industry in a continuous attempt to win the youth's approbation.

Well, what sharper spur to a father's maximum achievement than the imperious idolatry of an idolized young son? Many motives move men to labor, and love is one of the strongest.

THE PENN MUTUAL LIFE INSURANCE COMPANY

WM. A. LAW, President

Independence Square

PHILADELPHIA

Opens New England Bureau

THE NATIONAL UNDERWRITER, recognizing the importance and growing prestige of New England insurance companies and agents, and desiring to give full recognition to that section from a trade newspaper standpoint, is opening on June 1 a New England bureau at Hartford in charge of Ralph E. Richman. Mr. Richman will have entire charge of the New England states and New York outside of the metropolitan district. He will supervise the business activities as well as editorial work.

Leaving the Cincinnati Office

Mr. Richman has been manager of the Cincinnati office of THE NATIONAL UNDERWRITER and is one of the publication's most trusted associates. He was born into the business, so to speak, as his father was a leading local agent at Greenfield, Ind., and later became special agent for the Continental Fire. He is now special agent for the American Fire of Newark in Indiana. Ralph Richman was licensed as an agent at the age of 16. He was a student of insurance at that time. He entered Indiana University in 1909, majoring in economics, continuing to devote special attention to insurance. His graduating thesis was on a fire insurance subject. He had half completed his work on a master's degree based on research into the activities of the state in fire prevention when Indiana created the position of state fire marshal. Governor Ralston had come in contact with Mr. Richman and desired to have him in the fire marshal's office. Mr. Richman had spoken at a number of fire prevention meetings throughout the middle west and was acting as correspondent for "Fire Protection," a monthly paper published by The National Underwriter Company.

In 1916 Mr. Richman therefore moved from Indianapolis to Cincinnati to be-

come actively connected with THE NATIONAL UNDERWRITER and its allied activities. He took an interest in publishing work. In 1919 he was made manager of the office. In this connection he came in contact with the various departmental activities. During one year he worked with Editor Abner Thorp on business details of the "Diamond Life Bulletins."

In 1924, Mr. Richman inaugurated the "Accident & Health Bulletins," both the salesmanship and policy analysis service, which he will continue to edit. In 1929, he initiated the work on the "Fire, Casualty & Surety Bulletins."

When Mr. Richman went to the Cincinnati office there were 15 employees and the office occupied about 2,000 square feet of space. He has seen the growth of that particular office, the employees now numbering 75 in two buildings owned by the publishing company.

Resourceful News Gatherer

Since becoming connected with THE NATIONAL UNDERWRITER Mr. Richman has been an active news and editorial contributor. He is an experienced reporter and a very acute observer. He has spoken at many insurance gatherings. Mr. Richman outside of his business has been active in civic and church circles. Until recently he was a trustee of Valparaiso University, Valparaiso, Ind.

Anti-Rebate, Anti-Twist Bill with Teeth Filed in Illinois

Fines ranging from \$100 to \$1,000 and/or revocation of broker's or agent's license, and even of a company's license if it knowingly permits agents to violate the law, are provided in an anti-rebate and anti-twist bill filed in the Illinois legislature backed by the Chi-

cago Association of Life Underwriters, whose legislative committee drafted it. The bill seeks not only to prevent offering of any inducement, any discrimination in rates, dividends or benefits in placing insurance, but also to end the circulation of misleading or incomplete comparisons and estimates in an effort to replace a policy.

Separate agreements to secure a loan on personal property or the offering of any contract for services are forbidden. The bill provides that in case of violation no one is entitled to a commission on the rebated policy and if the company has paid a commission it is entitled to recover from the agent or broker.

Hearings may be held by the director of trade and commerce, who is given authority to call witnesses and require the production of records. The director under the bill has power to revoke licenses after a hearing for which 15 days' notice has been given. Such order would go in effect 30 days after notice, there being a right of appeal within that period.

Illinois has had an anti-rebate act for some years, but are without much teeth. There has, however, never been a law governing twisting.

No Action on Nebraska Salaries

LINCOLN, NEB., May 25.—No action has yet been taken by Governor Bryan with respect to reduction of salaries of Nebraska companies, although Director Herdman has furnished him with all data as to what they are drawing now. The refusal of the governor to approve a 16 percent salary cut for county officers is taken as an indication that he is not in sympathy with the salary slashing ideas of the legislature, and it is possible that he will disregard the tacit direction of the legislature in the matter of insurance company salaries. A bill limiting these salaries to specific sums based on insurance in force was killed.

Ordinary Sales in April Reflect an Improvement

New ordinary insurance paid for in April was 20 percent less than in April, 1932. First quarter's sales for 1933 were off 26 percent so that April figures indicate improvement. The upward trend in April was experienced throughout the country except the west north central section, where it was the same as for the first quarter. Financial independence week influenced the improvement, according to the Life Insurance Sales Research Bureau. The following table gives a comparison of April experience and that of the first quarter of the year to the same period a year ago:

	April, 1933 comp. to April, 1932	1st Quart., 1933 comp. to 1st Quart., 1932
U. S. Total	80%	74%
New England.....	84	80
Middle Atlantic.....	82	73
East North Central.....	75	73
West North Central.....	78	78
South Atlantic.....	81	68
East South Central.....	89	77
West South Central.....	84	79
Mountain.....	80	64
Pacific.....	82	69
Cities		
Boston.....	82	78
Chicago.....	78	78
Cleveland.....	80	70
Detroit.....	65	63
Los Angeles.....	73	75
New York.....	75	71
Philadelphia.....	83	77
St. Louis.....	91	86

American College Examinations

The American College of Life Underwriters will conduct its examination for the C. L. U. degree June 15-17. In addition to the C. L. U. examination the college will, for the first time, give examinations in life insurance agency management. The examinations will take place in universities in leading cities throughout the country. The registration for the examination is being made by A. M. Spaulding, 393 Seventh avenue, New York City.

A Legal Reserve Fraternal Life Insurance Association

In Business
Since 1877

FINANCIAL STATEMENT

AND VALUATION EXHIBIT AS OF DECEMBER 31, 1932

ASSETS

Bonds, (market value).....	\$1,175,942.76
Government, State, Municipal	
First Mortgage Real Estate Loans.....	1,890,567.37
Real Estate Owned.....	163,501.82
Certificate Loans.....	911,830.75
Cash, secured by depository bonds.....	120,234.77
Interest and Rents, due and accrued.....	117,404.41
Premiums in hands of collectors.....	82,813.19
All other Admitted Assets.....	4,213.13

Total Admitted Assets.....\$4,466,508.20

Sanatorium Building, valued at \$47,760, NOT included in this statement.

LIABILITIES

Required Reserves on all outstanding certificates (less \$186,443.16 present value future mortality savings).....	\$4,036,185.38
Incomplete Claims.....	68,047.20
Premiums Paid in Advance.....	67,636.13
All other Accrued Liabilities.....	39,609.72

Total Liabilities.....\$4,211,478.43

Surplus.....255,029.77

Total.....\$4,466,508.20

Ratio of Actual to Expected Mortality (Adult Department).....	81.86 per cent
Net Interest Rate Realized (Adult Department).....	5.88 per cent
Ratio of Actual to Expected Mortality (Juvenile Department).....	36.86 per cent
Net Interest Rate Realized (Juvenile Department).....	4.37 per cent
Increase in Surplus (entire society).....	\$25,660
Insurance in Force (entire society).....	\$30,065,763
Death Benefits Paid since organization.....	\$30,704,529

J. W. GRAYBILL

Grand Master Workman

HOME OFFICE : : : NEWTON, KANSAS

**A.
O.
U.
W.**
of
KANSAS

Operating in
**KANSAS
ARIZONA
ARKANSAS
COLORADO
New Mexico**

Kansas City Actuaries and Medical Directors Confer

OFFICIALS IN JOINT MEETING

Dr. J. W. Wear, J. A. Budinger and F. S. Withington Are Speakers on Underwriting Problems

KANSAS CITY, MO., May 25.—Speaking at a joint meeting of actuaries and medical directors of Kansas City life companies, Dr. J. W. Wear, medical director, National Fidelity Life, deplored the failure to place medical impairments for statistical purposes in underwriting on a more scientific basis. "The medical directors," he said, "have not segregated medical impairments into homogeneous groupings in conformity with the advance of medical science. This is particularly true of circulatory disorders. Our classifications do not conform to the present day teachings of accepted cardiologists in this country or on the continent."

He criticised particularly the classification of some heart impairments in the recent publication of medical impairment ratings by the Actuarial Society and the Association of Life Insurance Medical Directors, stating that "many of the classes are misleading and emphasis is misplaced."

Mortality on Older Group Higher

J. A. Budinger, actuary Kansas City Life, reported on an investigation of its mortality for the policy years 1929-1932. For the age group under 50 the company's mortality was 42 percent of the expected according to the American Experience table, and 78 percent of the expected according to the American Men Select. For the age group above 50 it was 63 percent according to the American Experience table, and 74 percent according to the American Men Select. For all ages combined it was 48 percent of the American Experience table and 77 percent of the American Men Select.

An analysis conducted by F. S. Withington, secretary and actuary, Midland Life, revealed that new business acquisition costs decrease with the increase in the average size of the producer's policy and with the increase in premium. Mr. Withington suggested that increase in size of policy and premium could be effected by the payment to the agent of a bonus based on the increase in average premium amount. He also recommended that one of the conditions of qualification for the bonus be a satisfactory average payment of second year premiums.

West Virginia Commissioner Is Now Official Liquidator

CHARLESTON, W. VA., May 25.—Governor Kump has signed a bill that provides for the administering of assets of insolvent insurance companies by the insurance commissioner. The bill states that "whenever any company under the supervision and regulation of the insurance commissioner shall become insolvent or shall be in such financial condition as not to be able to pay its creditors in this state, the commissioner of insurance may file a bill in the circuit court of Kanawha county for the administering of the assets of such company as an insolvent, and for the purpose of taking possession of its property in this state and the distribution of its assets among those entitled thereto according to their respective right."

Nebraska Institute Meets

At the monthly meeting in Omaha of the Insurance Institute of Nebraska, with 85 in attendance, addresses were given on "New Developments in Inspection Reports," by F. R. Schneider, and "Numerical Ratings in Underwriting," by F. S. Finch.



AMERICA'S FUTURE

A shining tower is being steadily erected . . . AMERICA'S FUTURE.

Never were opportunities greater for sound, persistent selling effort. Never was the intrinsic value of Life Insurance more fully appreciated.

Our representatives are doing their full part in the reconstruction work now definitely under way.

If you believe in the future of America . . . if you believe in the ability of life insurance to rehabilitate our cherished institutions . . . to throw a cordon of protection around the American family . . . then you should learn more about the Midland Mutual Life . . . its unusual history . . . its strong position today.

THE MIDLAND MUTUAL LIFE INSURANCE CO.
COLUMBUS, OHIO

"Living Insurance"

PERHAPS life insurance ought to be called "living insurance." It assures a man an independent living for his later years, or a living for his family if he dies.

In recent years the financial benefits of insurance to the living policyholder have gained increasing recognition. More people are buying life insurance primarily as a sound investment. They are attracted by the staunch security and stability of the well-managed life insurance companies, particularly under the acid tests of the past few years.

In 1932 the New York Life paid over \$182,000,000 to living policyholders and \$72,500,000 to the beneficiaries of those who died.

The New York Life agent has a wide choice of policies from which to make recommendations for "living insurance" to fit the particular needs of his clients, including its Annuity Endowment which continues to gain in popularity.



HOME OFFICE BUILDING

NEW YORK LIFE INSURANCE COMPANY

51 MADISON AVENUE
NEW YORK, N. Y.

Arthur Coburn Comments on Charge for Surrender Values

Arthur Coburn, vice-president of the North American Reassurance of New York City, is an eminent actuary, and one of the acknowledged authorities on life insurance. He is more than an actuary, as in his present position he has had to study life insurance administration as a whole. He has written THE NATIONAL UNDERWRITER commenting on surrender charges. His views are of interest and will be read by life insurance men. Mr. Coburn says:

"The insurance laws of the various states provide that no policy of life insurance shall be issued unless it contains a provision for cash surrender value, after premiums shall have been paid for three years, equal to the reserve on the policy less a surrender charge of not more than \$25 for each \$1,000 of the face of the insurance. These laws require that life insurance corporations guarantee in their policies a minimum scale of cash surrender values. These laws have encouraged a competitive rivalry between life companies to guarantee in their policies a scale of cash surrender values higher than the minimum provided for in the laws.

Life Funds Might Be Endangered

"The primary purpose of life insurance is the payment of death claims and I submit that it might happen that in a time of a great national emergency the practical result of a legal provision for minimum cash surrender values might endanger the sum insured for the sake of the cash surrender value. It seems to me also that the present cash surrender value laws breed the twister and the twister tends to increase the cost of life insurance to the public.

"I will draw to your attention that

among other things the immediate strength of a life insurance corporation is influenced by the amount by which the sum of the reserves is greater than the sum of the cash surrender values guaranteed in its policies.

"Sound laws regulating insurance should direct all to do what the soundest and most public-spirited would tend to do of their own accord. If the banking function of life policies is secondary to the primary purpose of paying death claims then the laws would recognize that distinction. In order to adequately protect the interests of all the policyholders at all times, I believe that the laws should provide for a maximum scale of cash surrender values that a life insurance corporation should be allowed to guarantee in its policies. I suggest that 4 percent cash values on an Illinois standard basis would be an appropriate maximum scale.

Would Obviate a Moratorium

"This is a matter which should be regarded from a public interest point of view and not alone from a company viewpoint. I believe present discussion is desirable to the end that the hopes of the many should not be frustrated by the selfish interests of the few.

"With a knowledge of many companies I have confidence in life insurance. I have seen times when the public were overconfident in life insurance, but today the public is underconfident. I regret the necessity of the present partial moratorium. I believe that THE NATIONAL UNDERWRITER can influence the situation so that never again will there be a moratorium in the life insurance business and never again shall the public be troubled with unnecessary fears."

Disability Coverage in the Group Life Insurance Forms

The advisability of dropping the disability coverage now contained in many group life contracts written before the recent restrictions went into effect was discussed at the American Management Association's insurance division conference in New York City.

While it was admitted that it opened the way to abuses, yet some of the representatives from the sections suffering the most expressed themselves as favoring retention of the disability provision because of its good effect on the morale of their employees. One representative said his company had been able to contest and win four out of five of these cases.

Another speaker said his company had dropped the coverage but had substituted for it a fund, administered by the employees. He reported good results in cutting down malingering and fake claims.

Suspended in North Dakota

The Bankers Union Life of Denver has been suspended by the North Dakota securities commission from doing business in that state.

The suspension was ordered because the company had not agreed to the security commission's interpretation of the surrender value of its bonds. It was claimed by the state commission that the surrender value clause in the policy is deceiving. Holders of the company's bonds were asked by the commission not to surrender bonds to the company until the investigation is completed. Records of the commission show the company had sold \$118,000 of its bonds in North Dakota.

Ray Haughton, salesman for the Bankers Union, has been arrested at Mitchell, S. D., on charge of violating the North Dakota securities act.

Insurance Counsel Meet in Chicago Next August

Announcement is made that the annual meeting of the International Association of Insurance Counsel will be held in Chicago Aug. 24-26. The Stevens hotel will be headquarters. Members are urged to make reservations at an early date. Those who desire to attend the American Bar Association meeting can do so conveniently because that convention is to be held at Grand Rapids, Mich., beginning Aug. 30.

The plan is to hold all sessions in the mornings and recess in the afternoons so that delegates may attend the world fair. The dinner dance will probably be held the evening of Aug. 24 and there will be a golf tournament at one of the country clubs.

Spargur Heads Des Moines Club

DES MOINES, May 25.—John A. Spargur, manager of the home office agency of Bankers Life of Des Moines, was elected president of the General Agents & Managers Club. Tom O'Connor of Pacific Mutual Life was elected vice-president, and Leroy Secor of Great Western Life was reelected secretary-treasurer. Members who have been general agents or managers 25 years or more are Claude Fischer, 35; J. J. Hughes, 31; J. A. Fischer, 30; W. E. Smock, 29; Clarence Anderson, 29; J. C. Clapp, 26; M. C. Nelson, 30; Martin Seltzer, 25.

Farmers & Bankers Life Gains

The Farmers & Bankers Life, Wichita, Kan., continues to show gains each month over the same period in 1933 in new completed applications. The first four months show a gain of 4 percent on the similar months in 1932. The increase in the first 10 days of this month was 40.8 percent over the first 10 days of May, 1932.

Underwriting Rules for Aviation Pilots Given

J. E. Hoskins, assistant actuary of the Travelers, in his paper before the Actuarial Society on "Underwriting Aviation Pilots" recommended approximate ratings based on statistical data of the reports of the aviation committee of the society. He gave allowance for the possible trend in mortality in the various groups and for the fact that the poorer risks within a group are more likely to apply for insurance than the better risks. The basic classification per \$1,000 of insurance suggested is:

(400 hours' experience required unless otherwise stated)	
Ratings for standard pilots	
Scheduled flying	\$25
Executives and officers of air transport lines—1,000 hours' experience	Individual consideration
Other non-scheduled commercial, 1,000 hours' experience, excluding those devoting a considerable part of their time to testing, exhibition, demonstration, or crop dusting	25
Amateur pilots of high personal responsibility, having either 3 years' or 200 hours' experience but not flying over 100 hours a year (200 hours a year in the case of pilots with 400 hours' experience)	12
Army and Navy (excluding marine corps) — regular service	12
National Guard (unless annual flying time much above normal)	12
Reserve Corps, other than extended active duty (unless annual flying time much above normal)	12
Lighter-than-air, and glider	Same as corresponding airplane pilots

A schedule of modifications is suggested for the use of companies desiring to rate pilots on their individual record. The use of riders excluding the aviation hazard is discussed and the recommendation made that these be used mainly in the case of former pilots where it is probable but not certain that the applicant has permanently ceased piloting.

Joins Ohio National Life

W. G. Preston, Jr. Has Been Made the Assistant Secretary and Assistant Treasurer

W. G. Preston, Jr., formerly vice-president of the Bankers Reserve of Omaha, has been made assistant secretary and assistant treasurer of the Ohio National Life of Cincinnati. Mr. Preston is a son of W. G. Preston, president of the Bankers Reserve up to the time the company reinsured in the Ohio National and who is now a director of the latter company. W. H. Harrison, formerly actuary of the Bankers Reserve, has become assistant actuary of the Ohio National. Mr. Harrison is a fellow of the Actuarial Society of America.

These men, together with 34 home office employees of the Bankers Reserve, have removed to Cincinnati to help take care of the business of the enlarged Ohio National.

The company, which sometime ago purchased a home office building on Reading Road about a mile from the center of the city, is now having its architects make plans for the new home office, changing both the exterior and interior. Not only will the building itself, which is a fire proof structure, be completely refitted but the grounds will be suitably landscaped. The building contains 50,000 feet of floor space, is of modern construction, and well lighted on all sides. The company expects to be able to occupy it within the next 90 days.

Bill in Illinois Authorizes Mutualizing Stock Carriers

A move to mutualize certain Illinois stock life companies is seen in introduction of house bill 955 in the Illinois legislature. This is an amendment to the present law to authorize mutualization. There was a hearing on it May 24 in the house insurance committee. The bill will require a majority vote of directors and two-thirds vote of stockholders, and also of policyholders, in favor of mutualization. Only those having at least \$1,000 insurance with the company, in force at least one year, are eligible to vote. Thirty days' notice of the policyholders' meeting must be given. The voting will be by ballot, supervised by the director of trade and commerce, who will appoint inspectors to conduct the voting and have power to determine all questions at issue.

The restriction on mutualization is that it will not be approved unless the plan leaves the company assets sufficient to maintain its deposit with the state and not less than the entire liability, including net values of outstanding contracts and also all funds, contingent reserves and surplus, save so much of surplus as shall have been appropriated or paid under the plan, after deducting

the aggregate sum appropriated in the mutualization plan for acquisition of any or all of the capital stock. The bill carries a penalty ranging from \$1,000 to \$10,000, or one to ten years imprisonment for intentional and willful giving to any stockholder any advantage or preference to the detriment of policyholders' interest.

House Eliminates Salary Limit in Fletcher Bill

WASHINGTON, May 25.—Eliminating the Senate provision that the Reconstruction Finance Corporation hereafter shall make no loans to organizations whose officials receive more than \$17,500 a year compensation, and providing instead that loans shall be limited to corporations where the salaries paid "appear reasonable," the House banking and currency committee has reported favorably on the Fletcher bill already passed by the Senate, authorizing the R. F. C. to purchase the preferred stock, bonds or debentures of insurance companies which are in need of additional capital.

The committee reduced the amount to be expended for this purpose from \$100,000,000 to \$50,000,000.

Discusses Life Policies as Collateral for Loans

ATLANTIC CITY, May 25.—With the decline in market values that has occurred in all the usual forms of securities acceptable to the banks as collateral for loans, there has been an increasing use, sometimes at the suggestion of the leading banks, of life insurance policies as a form of collateral. E. O. Stanley, Jr., counsel for the Mutual Benefit Life, told the New Jersey Bankers Association at its convention here in his talk on "Life Insurance Policies as Collateral."

He discussed the advantages of life insurance as collateral and mentioned some of the points to be considered in that connection. In conclusion he stated that "there was a strong movement under way by the Association of Life Insurance Counsel and the Legal Section of the American Life Convention to join with suitable representation of the American Bankers Association to establish a uniform assignment clause which will protect the rights of both parties and accomplish the purpose of a collateral assignment."

"No one man has a monopoly on all the good ideas."

National Life Insurance Company of the U. S. of A.
A. M. Johnson, Chairman of the Board



1833-1933

A Century of Progress

FOR CHICAGO

1868-1933

65 Years of Progress

FOR THIS

FINE OLD COMPANY FOR
AMBITIOUS YOUNG MEN

Up-to-the-minute Life-Accident-Health
Retirement Income
Family Income
Juvenile Insurance
5-Point Complete Protection
Guaranteed Low Cost Coverage

NATIONAL LIFE INSURANCE COMPANY
of the UNITED STATES OF AMERICA

Robert D. Lay
President

Walter E. Webb
Executive Vice-President

29 South La Salle Street, Chicago

Complete Coverage

The past three years have emphasized security as the greatest of all factors in plans for financial independence. In ratio of assets to liabilities, one of the real tests of strength, this Company ranks among those at the top of the list of all old line companies operating in the United States and Canada.

This Company writes all modern forms of policies including Retirement Income, Family Income, Educational policies, Annuities, and Accident and Health Insurance.

Operating in the following states:

California	Ohio
Illinois	Oregon
Iowa	South Dakota
Michigan	Texas
Minnesota	Washington
	Wisconsin

The OLD LINE LIFE
Insurance Company of America
MILWAUKEE, WISCONSIN

Life Accident Health

OBSERVATIONS in the Life Insurance Field

Many of the life company men who were in Washington, D. C., last week in conference with Henry Morgenthau, Jr., who will head the farm credit administration, in regard to the emergency farm mortgage act which has been signed are doubtful as to its success. The life companies hold about 23 percent of all the mortgages on farm property. Many of the mortgages held by life companies were written at a time when values were high and while the loans represented at that time 50 percent of the actual value, there has been such a decrease in land values that today the amount of the mortgage may not even equal the value of the land and buildings.

The farm loan act provides that mortgages may be exchanged for 4 percent land bank bonds which are guaranteed by the government. As a matter of fact, the life companies would much prefer to have these bonds if they can be secured on a basis that will not mean too great a sacrifice on their farm mortgages. The question in the minds of those who attended the conference was the basis of valuation. It was suggested that there might be a 10-year average struck on the period previous to the war. If that basis were followed the values would be higher than those existing today. Banks are to make the appraisal of property. Life companies, however, might be saddled with the expense. Therefore, life company officials feel that there is not much to be gained by exchanging these farm mortgages for the 4 percent bonds because there would be in most cases quite a sharp reduction in both principal and interest. The basis of appraisal, therefore, will be a deciding factor.

The companies may decide that they can work out their mortgages and realize more money in the end than if they took the 4 percent bonds especially if inflation increases prices. Some executives are interested in the provision of the act which would enable a farmer whose mortgage had been foreclosed to redeem his land under certain conditions. The life companies have taken over thousands of farms. If, therefore, some arrangement could be made where-

by these farms could be restored to their owners and the companies take the farm loan bonds they probably would be interested because none of the companies desire to hold farms for any longer time than is necessary.

* * *

A few years ago there was sharp competition in the life insurance field due to the introduction of low rate policies of various kinds. Sentiment prevailed, for example, that the companies of lesser financial strength were compelled to compete with the Travelers and Aetna Life. This led to the introduction of policies where the net rate was used as the gross or the loading was very small. It has proved a rather costly advantage. In some cases deficiency reserves had to be put up. At any rate the loading was not sufficient to carry the business along. In these days when companies need every dollar possible, they are feeling the effect of these policies that were sold at premiums below what they should be. Pressure upon the field undoubtedly forced many companies into a low rate policy course.

* * *

Much interest was taken in the informal conference in New York last week between representatives of the American Life Convention and a committee from the Association of Life Insurance Presidents. The main talk centered about the forthcoming meeting of the insurance commissioners and their possible action on the moratorium. Daniel Boone of the Midland Life of Kansas City, head of the American Life Convention; President H. M. Woollen, American Central; President O. J. Arnold, Northwestern National; President G. S. Nollen, Bankers of Iowa; President C. B. Robbins, Cedar Rapids Life, and Manager Byron K. Elliott of the American Life Convention represented that organization. President George W. Smith, New England Mutual; President James Lee Loomis, Connecticut Mutual; Vice-President Alfred Hurrell, Prudential; Vice-President E. E. Rhodes of the Mutual Benefit and V. L. Whitt of the Life Presidents Association represented that body.

NEWS OF LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual Digest," published annually in May at \$5.00 and the "Little Gem" published annually in March at \$2.00

Prudential's New Plan for Handling Optional Policies

The Prudential has instituted a system designed to avoid the delivery of optional policies, but still to permit the agent to take advantage of the willingness of many assureds to buy additional insurance after they have been accepted by the company for the amount applied for originally.

The plan is to make photostatic copies of the application with the name of the applicant and the beneficiary blanked out, leaving this document in the hands of the agent. Then, when the applicant has been accepted for the amount applied for, he can be approached with a proposal to buy additional insurance. All that is necessary, under the Prudential plan, is for the assured to sign his name on the photostatic copy of his application and also to fill in the name of the beneficiary. The blank for the beneficiary is left vacant in the photostatic copy, because the assured may de-

sire to name a different person from the one designated in the original application.

Under this plan, the waste of making out optional policies, so many of which are not taken, is avoided. Moreover, the agent who is somewhat timid about taking optional policies is more likely to suggest the purchase of additional insurance with this easy instrumentality at hand.

Columbus Mutual Life

The Columbus Mutual Life will start paying a persistency bonus April 1, 1934, on policies reaching their 20th anniversary subsequent to that date. A similar bonus will be paid on all death claims and endowment policies maturing after that date and on all policies becoming paid up by their terms or by dividend accumulations. In this way the company hopes to prevent the dividend reduction effecting any increase in cost above the dividend schedule to those policyholders that remain with the company and keep their policies in force.

The Columbus Mutual Life has decided to pay the same dividends on all policies regardless of whether they contain the disability clause or not.

Form Rail Protective Committee

An informal protective committee to protect their interests as holders of bonds of the Missouri-Pacific railroad, now under reorganization proceedings under the new bankruptcy act, has been formed by eleven life companies.

Illinois Qualification Bill Sharply Restricts Licensing

APPLICATION UNDER OATH

Measure Is Prepared to Segregate Agents From Bill Regulating General Insurance Salesmen

A bill sharply restricting the licensing of life agents in Illinois, giving the director of trade and commerce power to demand oral or written examinations if he sees fit, and taking the matter of qualifications and licensing out of the broad measure covering all forms of insurance recently filed in the legislature and the subject of several hearings, was ready for introduction this week. In most particulars it is understood to have the approval of Superintendent Palmer.

The effective date March 1, 1934, is set. Written applications under oath must be filed to obtain licenses. The applications besides name and address, must state:

Requirements of Measure

Whether a previous license in Illinois or elsewhere had been revoked or refused, what business the applicant had engaged in for the last five years, with names and addresses; information to determine the trustworthiness and competency of applicant, a statement by two reputable citizens of Illinois, preferably life insurance men, recommending applicant; information to indicate the license is not being sought merely to take insurance on applicant's own life, and stating he intends to engage actively in the business; a statement that he will not solicit or place insurance in an unlicensed company, and the name of the company he will represent, with a statement of its officers certifying to his employment.

The director could require a personal examination, either written or oral. License could be revoked for intentional mistakes in the application, fraudulent practices, misappropriation of funds, demonstration of incompetency, material misrepresentation of policies, benefits, etc., or for not being an active life insurance agent. The bill holds the agent responsible in a fiduciary capacity for premiums collected.

Some Prohibited Classes

Corporations and partnerships would not be licensed, nor would officers of state or national banks operating insurance departments in conjunction, save in towns of 5,000 population or less. All applicants to obtain a license must be residents of Illinois.

An important provision is that policies or applications for policies must be signed by an Illinois resident agent. Companies could not pay commissions to unlicensed agents. Companies must file with the director a statement when an agent's contract is terminated, giving the reasons.

There is a retaliatory provision. Penalties from \$50 to \$1,000 are prescribed.

Burial Concern to Continue

The Eagle Burial Society of Chicago, which was referred to the Illinois attorney general by the insurance department with a request that it be liquidated, has made an additional deposit for the protection of its certificate holders and the attorney general has been requested to dismiss his action against the society, which will continue.

Pilot Life Convention

The agency convention of the Pilot Life will be staged in the Edgewater Beach hotel, Chicago Oct. 1-3, it is announced by J. M. Waddell, recently elected agency manager.

In addition to the Pilot Club members, a feature of the gathering will be the get-together of the "McAlister

Clan," highest honor organization of the field men, membership in which is based upon membership in the Pilot Club for the previous and current years, and an 80 percent renewal average on the previous year's business.

Receiver Sues for Dividends

Federal Court Action Brought Against Illinois Life Stockholders to Re- cover \$1,500,000 Dividends

Suite to recover \$1,500,000 dividends paid to stockholders of the Illinois Life in the period July 16, 1930, to Oct. 21, 1931, has been filed in federal district court at Chicago by Abel Davis, receiver for the company. His claim is that the Illinois Life was insolvent at that time. Among the defendants is Karl B. Korrady, the receiver's assistant who is active in conserving the business and is second in charge of the home office. The receiver asks \$7,500 reimbursement from Mr. Korrady. Others named, and the amounts are: J. W. Stevens, former chairman of board, \$772,500; E. J. Stevens, former vice-president, \$205,500; C. E. Moore, \$55,500; J. H. Stevens, \$15,000; B. J. Stookey, former secretary, \$25,500;

Grace E. Stookey, \$3,750; S. L. Tompkins, \$18,000; Alice M. Stevens, \$7,500; Georgia P. Forrester, \$17,812. Other minor stockholders also are named.

The petition claims there was a deficiency during the period in which the dividends were paid, and they were not justified. It is claimed that securities were carried on the books at values that were too high; that there was no surplus earned in the period cited, and no previous earned surplus out of which to pay dividends properly. Attorney W. M. Klein for the receiver cites the "marking up" of the home office building as an evidence of the method employed. The building, he said, cost slightly less than \$1,000,000. In 1924 it was shown in the statement at \$1,400,000 and in December, 1931, at \$3,000,000. This, however, has no direct bearing on the suit, which covers another period.

Not all stockholders who received the dividends were sued, but only those within the jurisdiction of the court.

Equitable General Agents Elect Crutchfield President

At the close of the three day convention of the general agency association of the Equitable of New York in Atlantic City, E. M. Crutchfield, Rich-

mond, Va., was elected president succeeding Courtenay Barber of Chicago. Other officers elected were: T. M. Riehle and Horace Wilson, New York, vice-presidents; Edward Keating, Minneapolis, treasurer and T. B. Sweeney, Washington, D. C., secretary. W. M. Duff, Pittsburgh, is chairman of the executive committee. It was voted to hold the 1934 convention again at the shore resort. Mr. Barber had been president for two years and formerly was secretary.

Farms Show Appreciation in Value, Agents Are Told

DES MOINES, May 25.—Land held by the Union Central Life in Iowa and Minnesota has advanced in price \$10 per acre, field men in convention at Waterloo, Ia., were told by A. M. Walters, Minneapolis, head of the loan and real estate division. Reason for the boost was given as general advance in price of farm commodities and a growing demand for farms. About 300 farms have been sold by the company in the two states since Sept. 1. Up to the time of the present boost in prices good farm lands had been sold for between \$85 and \$100 an acre and poorer farms for \$50 to \$70 an acre, it was stated.



Let's Get Acquainted!

WHEN you consider the possibility of an agency connection, the first step is to become acquainted.

We introduce ourselves—73 years old, over \$79,000,000 in assets, \$386,000,000 Insurance in Force—a Company of excellence and substantial background which anyone can be proud to represent—and, more important, thoroughly field-minded—a real Company of opportunity.

Nor is that all—we have a unique agency plan which is unusually attractive to the successful and ambitious Life Underwriter—and we have a broad range of thoroughly modern sales aids built around the Home Life idea of "Client Building."

On Agency Matters Address
Cecil C. Fulton, Jr.,
Superintendent of Agencies

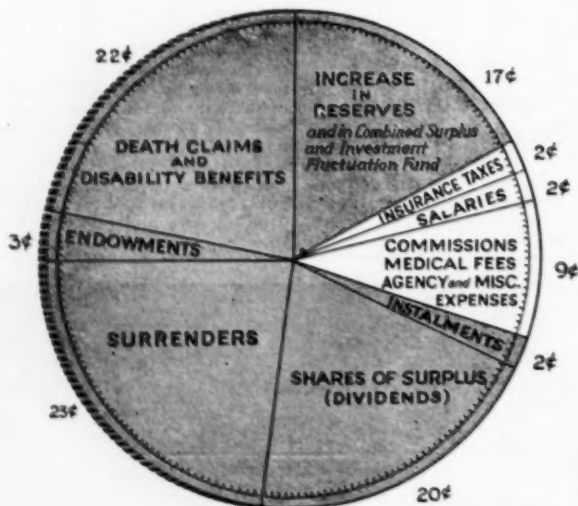
Home Life Insurance Co.
256 Broadway, New York

Ethelbert Ide Low, Chairman of the Board James A. Fulton, President

HOME OFFICE BUILDING,
CITY HALL PARK, NEW YORK CITY

INSURANCE DOLLARS

received in 1932 by this Company were distributed as follows:



Out of every dollar received by the Company—

- 9 cents were spent for commissions, medical fees and all expenses.
- 2 cents were paid in salaries for entire Home Office personnel.
- 2 cents were paid in taxes.
- 87 cents were paid or credited to Policyholders' Accounts.



NEW ENGLAND MUTUAL LIFE INSURANCE COMPANY

GEORGE WILLARD SMITH, *President*
Boston, Massachusetts

AGENCIES IN 60 IMPORTANT CITIES

Life Insurance Is Pictured in Action at Fair in Chicago

Life insurance will be dramatized in a life insurance exhibit in the Century of Progress exposition in Chicago through portraying a model community in miniature. Dominating the scene will be a building monumental in character, symbolic of stability and representing life insurance.

The unusual exhibit was explained in a pamphlet broadcast by the policyholders' service bureau of the Metropolitan. There will be a series of six action episodes, each depicting some important phase of accumulation and investment of life insurance reserves. The central themes are:

Six Episodes in Series

(1) How life insurance reserves tie the policyholder's interest into the economic well-being of his community; (2) investments in public utilities; (3) investments in city and farm mortgages; (4) investments in government securities; (5) investments in transportation facilities; (6) the return to policyholders from these investments.

Through use of a synchronized electrical sound transcription the significance of the episodes will be explained as action develops. The exhibit will occupy a space 15 feet by 60 feet, adjoining which will be a space 15 feet square containing a reception booth with an attendant to pass out a brochure on life insurance. The first episode opens with flashing a message across the miniature sky: "65,000,000 policyholders have a stake in the institution of life insurance."

The central tall building is lighted and people are seen to enter and leave it. A tank on top fills up, dollars float around in an illuminated section, and when the tank is full the words are flashed, "\$20,000,000,000 life insurance assets." The action then proceeds through the remaining episodes, showing the movement of the stream of dollars from the tank throughout the community. The last episode shows life insurance beneficiaries leaving the building carrying bags of money.

Public Needs More Knowledge

The general public should learn more about insurance rather than simply turning over its insurance buying carte blanche to an agent or broker. R. H. Blanchard, professor of insurance at Columbia University, told members of the insurance division of the American Management Association.

The impression that insurance is too technical for the layman to cope with has given rise to a general lack of curiosity as to how insurance operates and has resulted in a vague impression that insurance is a "good thing" and a person should take whatever amount he can afford, Prof. Blanchard said, but although this state of affairs is a tribute to the public's confidence in the institution of insurance, it does not make for intelligent insurance-buying which will properly cover the needs of the insured.

The insurance buyer, Prof. Blanchard said, should consider his hazards, figure what position he would want to be in the event of a loss, and then buy on that basis.

He suggested that it might promote a better understanding if insurance generally adopted a simplified first page for policies, along the lines of the life policy. This would help remove the idea that insurance is too technical for the layman to understand.

H. E. North Advanced

Henry E. North, third vice-president Metropolitan Life in charge of field education and sales promotion, has been made a second vice-president. His duties will continue the same as at present.

Are You The Man We Want?

A "joy forever" is the life underwriter who can combine footwork with headwork. He knows that nothing can take the place of intelligent application of the right sales methods will increase the results achieved.

COMMONWEALTH CORDIAL CO-OPERATION

Commonwealth Cordial Cooperation is not an automatic "cure-all" for your production ills; it is simply a tool—a flexible, keen-edged tool. It includes a line of policies that are unsurpassed, sales methods that equal all competition. It accomplishes great results in the hands of an underwriter who can use it intelligently. If YOU are searching for new ideas to improve your soliciting, there is a place for you in Commonwealth's scheme of cordial cooperation.

COMMONWEALTH LIFE INSURANCE CO. LOUISVILLE, KY.

TRIPLE INDEMNITY LIFE INSURANCE

with Weekly Accident Disability in One Contract for One Premium

General Agency Contracts

available at Cincinnati, Ohio; Columbus, Ohio; Toledo, Ohio; Erie, Pa.; Harrisburg, Pa.; Detroit, Michigan.

Inquire

UNITED LIFE and ACCIDENT INSURANCE COMPANY

United Life Bldg., Concord, New Hampshire

Beer Hazard Is Considered at Underwriters' Meeting

(CONTINUED FROM PAGE 4)

its with respect to alcohol. He stated it is an appropriate time to review the scientific evidence built up from insurance mortality statistics in order that use of judgment in selecting these risks may be reduced to the phases upon which proper evidence is lacking. Companies must give heed to the experience results in passing on risks in order to escape undue losses. He discussed the question whether sub-standard can be offered in this group without losing control of mortality through anti-selection of applicants. Companies are unable to classify these risks with an accuracy commensurate with physically substandard risks. He gave evidence that there is hope such risks can be written without serious loss of mortality control.

G. W. Cheney, Phoenix Mutual, discussed allocation of functions in underwriting department, outlining the general organization of an underwriting department adequate for a company handling from 50 to 200 applications a day.

Presents Merits of Specialization

C. V. Cornell, Penn Mutual, read a paper on underwriting by territories. He stressed this is an age of specialization and a man becomes an expert on types of cases which come from certain localities by virtue of their size, intensive study of conditions there and knowledge of certain types of producers.

W. H. Tompkins, Mutual Life of New York, in a paper on women presented various tables indicating his company's experience, a really very favorable showing, and reciting underwriting rules which have been followed.

The morning session Tuesday was devoted to a clinic on underwriting aspects of certain specific cases. R. J. Vane, Metropolitan, discussed occupational classifications and Morris Pitler,

Mutual Life of New York, presented a summary of medical and actuarial papers.

John M. Laird, Connecticut General, gave a cross section of modern life underwriting. He said after the world war and influenza epidemic of 1918, life insurance enjoyed ten years of expanding business, increased interest earnings and favorable mortality, resulting in gradually broadened underwriting and introduction of certain practices by some companies in the hope of securing competitive advantage or encouraging sales. The reaction now is on. Companies are interested in stopping all leaks. The watchword is safety first.

Laird on Jumbo Risks

He touched on jumbo risks with their high mortality, but he said clearly there was something wrong with jumbo risks even before the depression. A supplement to the medical impairment study showed the death rate on jumbo risks excessive on issues of 1919 to 1929 carried to the anniversary in 1930. This experience includes a period of favorable mortality, yet mortality on persons insured for \$1,000,000 or more was 169 percent of normal.

He said special attention today should be given inspections, finances, suicides, non-medical, rewrites and revivals. The last three years have been difficult both for agent and underwriter. The percentage of declinations has increased and there has been pressure from the field and agency department for liberalization in underwriting to maintain premium income. Much educational work must still be done during the reconstruction period. All should recognize that a company cannot issue insurance on a man with a serious medical impairment.

The Indiana Mutual Life Agency Company, Elkhart, Ind., has been incorporated by J. S. Fisher, Eugene Holdsmann and J. C. Lane to operate a life general agency.

Moratorium Complex Based on Supposition, Not Facts

(CONTINUED FROM PAGE 5)

other type, was very indignant about life insurance men calling on him and pestering him with prospecting letters. He said he knows where to get life insurance if he wants some and he doesn't have to wait around for an agent to call on him. He was acquainted with the moratorium but it didn't give him much concern. He regarded it as only a temporary measure like that which any business has to adopt to conserve its assets in times of stress.

The public has been faced with many other problems in the past few years and has a very philosophical attitude toward the life insurance moratorium and consequently the agent has overexaggerated the importance of it in his own mind. It isn't easy to sell now because people haven't got the money, but that is a problem that every agent has to overcome at all times, even in flush times, because if people have got the money they want to spend it for something else.

Conditions Placing Heavy Burdens on Management

(CONTINUED FROM PAGE 5)

proportion to the applicant's income or ability to pay. Life insurance by too many people today is looked on as a means of recouping losses rather than to provide against future losses.

While the primary function of life insurance is to pay claims, at the same time companies owe it to their policyholders to be on guard as never before against fraudulent demands, particularly under disability clauses. Mr. Hall said companies should not be compelled to put a premium on suicide. The man who kills himself to transfer his obliga-

tions to the life company no more deserves consideration than the one who burns down his home to collect fire insurance.

Mr. Hall emphasized that new business constitutes the very life blood of life insurance. So far as the policy moratorium is concerned he finds it serving to place emphasis where it belongs, the protection features of the contract and not the minor appendages. In so far as government regulation of business is concerned, he said, life companies always have welcomed cooperation and supervision of state authority and do not object to paying legitimate costs, but policyholders should be told repeatedly of the onerous and unjust premium tax burden on life insurance. Only a small fraction of this levy is used for supervision and maintaining insurance departments.

Sees Early Lifting of the Moratorium in New England

Commissioner Dunham of Connecticut has issued a statement predicting that the cash surrender and policy loan restrictions will be lifted in the New England states about the middle of June. He stated that there will be a meeting of the insurance commissioners of the New England states in Boston soon after the meeting of the National Convention of Insurance Commissioners in Chicago June 1-3.

Hold North Dakota Meeting

With S. H. Witmer, vice-president and manager of agencies, and H. O. Chapman, secretary-treasurer, in charge, North Dakota agents of the Policyholders National Life of Sioux Falls, S. D., held a sales school in Fargo Saturday.

Mr. Chapman said improving business conditions in the northwest are being reflected in increased volume of new business received by the company.

A Story of Service in 1932

Paid in claims	\$6,098,233.90
Paid each working week ..	117,233.00
" " " day ..	19,540.00
" " " hour ..	2,442.50
" " " minute ..	40.70
" " " second ..	.68

It Pays to Be a "Shield Man"

June in
W.S.M



650
Kilocycles

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LIFE AND
ACCIDENT
INSURANCE
COMPANY
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Nashville
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THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION, PUBLISHED EVERY FRIDAY

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JOHN F. WOHLGEMUTH, Secretary

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637 Insurance Exchange
R. J. CHAPMAN, Resident Manager

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A. J. EDWARDS, Resident Manager

ATLANTA, GA., OFFICE

304 Atlanta National Bank Building
SETH WHITE, Resident Manager

Annuities Have a Firm Place

THERE is considerable difference of opinion among agents as to whether the sale of annuities is really on the wane and whether there is a shift back to purely life insurance contracts. In a recent issue the sentiment was expressed in some quarters that annuities and retirement policies momentarily at least were suffering a setback. This is disputed by a number of field men who declare that their annuity business is just as good as ever. The PENN MUTUAL LIFE, for example, during the first four months, reports \$44,000,000 of life insurance and \$17,000,000 of annuity values. This is figuring the annuity premiums on the basis of \$30 a thousand. In other words, 30 percent of the PENN MUTUAL's new premium payments were for annuities.

In recent years annuities have been greatly popularized. Companies that did

not write annuities and did not have any annuity figures in their rate book have been forced to adopt an annuity program. Annuities, after all, constitute a very salable and safe retirement fund. They fit in nicely with life insurance. Companies that write annuity contracts liberally do not feel that the sale of that business detracts in any way from the sale of straight life insurance. The field offers certain prospects for annuities and these are not necessarily the people who might buy life insurance. There is a growing number of people who are becoming more and more interested in annuities. The insecurity of investments of various kinds has called attention to the stability of annuities as sold by thoroughly solid life companies and the special advantages in owning such contracts.

Service of the Life Agent

A LIFE insurance man is not crowned so much these days by the amount of business he is producing as by the amount of the business on the books he is saving. After all, an agent is forced to give much time to servicing policyholders. There has never been such a demand for personal service as during the last two or three years. Policyholders are confronted with problems that are unprecedented. The march of the depression seems continuous. Therefore more people are forced to fall back on their last defenses.

Most business men are endeavoring to save what they can out of the enterprises they have built up, whatever they may be. This policy can well be applied to the life agent because he is a conservationist extraordinary. If he can hold down lapses and persuade people to pay off loans, he is saving his own bacon. The personal influence and assistance of the agent are big factors today in the life insurance field. Policyholders are looking to the insurance salesman to give them advice which is intelligent and trustworthy.

Developing Habit of Thinking

ONE of the primary functions of any supervising man should be to teach those in his employ to do some thinking for themselves and to develop initiative. A man with authority makes the biggest kind of mistake when he encourages those subordinate to him to run to him

to decide every question large or small. The only way to make men strong mentally is to get them to form the habit of thinking, deciding at least the ordinary cases and to get beyond the period of dependency. The brain, like a muscle, needs exercise.

Should Not Develop Indifference

MANY men weaken their own business and personal structure by being indifferent. They are not responsive to the voices of the hour. They are apathetic. One cannot be so isolated that he is

adamant to the various relationships he sustains and what others do and say. He should tune himself to the chord of the hour, else he will not find the going pleasant.

PERSONAL SIDE OF BUSINESS

Lee Herdman, insurance director of Nebraska, was operated on Monday for removal of a cataract which has interfered with his sight for a long time. A second operation will be necessary later.

Moines in 1912 to enter life insurance with the Phoenix Mutual. He formed his partnership with Walter St. John in 1913.

W. Hubert Childers of San Antonio, southwest Texas manager of the Great Southern Life, is the proud father of a boy, Howard Franklin Mims Childers.

Edward B. Raub, vice-president and general counsel of the Indianapolis Life, has been reelected most wise master of the Indianapolis chapter of Rose Croix of the Scottish Rite.

R. C. Wiestling, who was recently appointed manager of the Security Mutual Life of Binghamton at Rochester, is a native of Wheeling, W. Va., and entered the U. S. naval academy in 1916. He was commissioned as an ensign and served on the U. S. S. "Oklahoma" for two years. He was then transferred to the destroyer engineering school at Newport, R. I., and became chief engineer of the destroyer "John D. Ford." Then he was appointed junior lieutenant on the "Wyoming." He is still a lieutenant in the U. S. naval reserve. He entered the life business in 1924, his activities carrying him to Baton Rouge, La., and then to Rochester. He has been connected with the Mutual Life of New York in Rochester.

H. M. Holderness, agency vice-president Connecticut Mutual, who was scheduled to address the regional sales congress of his company in Chicago last week, has been ordered to take a month's rest by his doctor. It is understood that his conscientiousness as chairman of Financial Independence Week, which was greatly successful in spite of the hard times, undermined his health, necessitating a complete relaxation from his duties in Hartford.

A. R. Roberts, who founded the Amicable Life of Waco, Tex., and was its president and actuary, died at Corpus Christi. He was 68 years of age. He taught school before entering life insurance in 1885. He made a close study of mathematics. In 1910 he organized the Amicable Life. He built the Amicable building, the first skyscraper in that section. In his day he had one of the largest insurance libraries in the country. He published the Waco "Morning News" at one time in his career.

M. S. Miller of M. R. Miller & Son, Penn Mutual agency in Rochester, N. Y. was injured recently in an automobile accident and has been recovering in the hospital. The Miller agency has important offices also in Buffalo and Syracuse.

Allen May of St. Louis, vice-president and general attorney of the Missouri State Life, gave the commencement address before the St. Louis law school last week, taking as his subject, "The New Lawyer and the New Deal." Mr. May is one of the most successful Sunday school teachers in his city. He has a large class and attempts to introduce comment on current events, thus modernizing Biblical teachings.

Howard C. Lawrence, New Jersey manager for the Lincoln National Life, is receiving the sympathy of friends on the death of his mother.

Miss Caroline D. Baker, daughter of Dr. H. A. Baker, medical director Kansas City Life, and C. H. Tinsley, Jr., who just has been transferred from Kansas City to Salt Lake by the American Service Bureau, were married last week. Miss Baker has been an underwriter in the medical department of the Kansas City Life for the past eight years.

Dr. J. A. Patton, medical director and second vice-president of the Prudential, will retire from active duty with that organization July 1 after 35 years of service.

Barbara Jean Sears, daughter of Mr. and Mrs. Charles Sears of Kansas City, is the first grandchild of W. T. Grant, president Business Men's Assurance, and is the second for C. N. Sears, secretary Kansas City Life, and Mrs. Sears.

Business associates and other friends of the executive attended a farewell dinner in his honor at East Orange, N. J. He plans to leave for his new home in California May 26.

W. F. Reynolds, 32, member of the firm of T. P. Reynolds and Son, general agents at Richmond, Va., for the Prudential, was killed last week in an automobile accident near that city. He was vice-president and former secretary of the Richmond Association of Life Underwriters. His father took him into the agency firm five years ago.

Dr. J. E. Pollard, associate medical director, was toastmaster at the banquet. Other speakers were John K. Gore, vice-president and actuary, and Dr. L. F. MacKenzie, also associate medical director.

Joseph T. Butler, general agent of the Aetna Life in Salt Lake City has been elected president of the Salt Lake junior chamber of commerce.

Dr. Patton began his Prudential career May 3, 1895, as an examiner in Chicago, and became a member of the home office medical staff May 18, 1908. In January, 1909, he was made assistant medical director; in January, 1913, he was promoted to associate medical director, and in January, 1920, was placed in charge of the department as medical director. On Jan. 13, 1930, he was again promoted, second vice-president and medical director.

Rufus K. Hardy, well-known Salt Lake City life insurance man, with the Western States Life for more than 20 years, has accepted a call from the Mormon church to preside over its New Zealand mission. It will be Mr. Hardy's third visit to New Zealand. He will be away for an indefinite period.

President H. A. Behrens of the Continental Casualty and Continental Assurance of Chicago is on a tarpon fishing trip in the Gulf of Mexico, off the coast of Corpus Christi. He is accompanied by Bob A. Killson, general agent at Houston. Mr. Behrens is one of the most ardent fishermen.

Edwin E. Carter, 53, member of the firm of St. John & Carter, in Des Moines for the Equitable Life of Iowa, died there Friday of heart disease. He was a newspaper publisher at Boone and Spirit Lake, Ia., before going to Des

James M. Hamill, star producer of the Equitable Life of New York in San Francisco, is celebrating the arrival of his first child, Judith Hamill, born last week. Mrs. Hamill was prominent in art circles of Los Angeles before her marriage early last year.

John J. Nangle, executive vice-president of the Utilities Insurance Company of St. Louis, was elected treasurer of the Missouri State Democratic committee in session at Columbia, Mo., succeeding B. F. Dickman of St. Louis, who resigned after his election as mayor of that city.

Elmer H. Dearth, former Minnesota insurance commissioner, who has been in Detroit for some 20 years as a company official and advisor, is returning to

St. Paul and will reside at 1156 Lincoln avenue. Since retiring from the General Surety & Casualty of Detroit he has been engaged in an advisory capacity for companies and also has acted as insurance broker. He will perhaps continue in the same line of work in St. Paul.

In connection with a round table conference of southern and eastern general agents of the Penn Mutual at the head office, a testimonial dinner was held for John A. Stevenson, who has just retired as vice-president in charge of the agency department of that company, to become a full time general agent. C. B. Stumes of Stumes & Loeb, Chicago general agent, was toastmaster. J. E. Durham, head of the Bourne & Durham general agency of Philadelphia, presented Mr. Stevenson with a valuable set of Shakespeare. A speech of eulogy was delivered by President W. A. Law. Tribute was also paid by Vice-President Frank H. Davis.

COMPANY NEWS

A. O. U. W. Sees Record Year

Kansas Order Reports Increase of 40 Percent in Business for First Four Months

During the first four months of this year, the A. O. U. W. of Kansas reports an increase in new business of more than 40 percent over the amount written in the same period last year. With this start, the order anticipates that 1933 will be a record year.

As of Dec. 31, 1932, the order reported total assets of \$4,466,508, invested largely in state, federal and municipal bonds and selected first mortgage loans. Surplus amounted to about \$255,000 after providing for the full required reserve on the American Experience 4 percent plan and all outstanding liabilities. Interest earnings on investments were at the rate of 5.88 percent and the ratio of actual to expected mortality was 81.86 percent. Total insurance in force amounted to \$30,065,763 and total membership 27,973.

Graybill's Eleventh Term

J. W. Graybill was recently reelected grand master workman to his 11th term in that office. At the expiration of the term in 1937 he will have served 26 years as executive head of the society and will have a record of 30 years in an official capacity. Mr. Graybill has been responsible for many of the forward steps of the order. In 1913 he was responsible for the admission of women to membership and for the organization of the juvenile beneficiary department in 1917. Two years later level rate, legal reserve plans of insurance were adopted and in 1921 the classified plan was readjusted on an adequate rate basis. In 1926 the field of operations was extended, the order being admitted in Colorado, New Mexico and Arizona. The tubercular sanitarium was established in 1928 and in 1932 Arkansas was entered.

E. H. Stewart was reelected grand recorder for the fourth term and W. J. Watson, grand treasurer for the fourth term. Miss Clastine Allen was elected a grand trustee, the first woman to hold an active grand lodge office.

The honorary rank of past grand master workman was conferred on Dr. F. W. O'Donnell, grand medical examiner; L. G. Kennedy, chairman of the credentials committee, and James D. Banker, member of the finance committee.

Midland Mutual Veterans

The Midland Mutual Life will celebrate its 27th anniversary on July 2, 1933. Seventeen employees and representatives have completed 25 years of consecutive service with the company. Those at the home office with this

record are Dr. W. O. Thompson, chairman of the board; H. B. Arnold, president; G. T. Spahr, director; C. G. Barratt, assistant secretary-treasurer; H. K. Schaff, cashier, and John D. Rees, auditor.

E. P. Tice was the first agent of the company. He soon formed a partnership with H. P. Jeffers, thus creating the firm of Tice & Jeffers, managers of the home office agency.

Other 25 year agents are: S. B. Garwood, Columbus; E. O. Mowrer, Akron; W. T. Trump, Dayton; O. J. Dodge, Toledo; H. S. Foote, Geneva; E. C. Roberts, Canton; L. U. Mechem, Bethesda; J. I. Dickerson and J. O. Jones, Newark, O.

To Liquidate Union National

Superintendent Warner of Ohio has appointed G. B. McCann a special deputy to liquidate the Union National Life. The liquidation will be conducted at Dayton, the charter office of the company, which moved its executive offices to Charleston last year. The license of the Union National has been revoked by the West Virginia department.

Made Official of Acme Life

A. E. Smith of Owasso, Okla., has been elected second vice-president of the

Acme Life of Tulsa. He is the owner of the A. E. Smith Gas Company. During its first four months of operation the company wrote \$600,000 of business. W. R. Shirley, formerly president of the Yeomen, is head of the company, and George Kabureck has charge of the agency department. The Acme special thrift stock policy with endowment coupon and special investment deposit fund is being featured by the company.

Observe Fry-Reilly Month

In observation of Fry-Reilly Month, agents of the Old Line Life of Milwaukee will conduct a sales drive in June as a tribute to President Rupert F. Fry and Secretary-Treasurer J. E. Reilly, both of whose birthdays occur next month. The Old Line will occupy its new home on June 1, occupying the seventh and eighth floors of the Century building at 808 North Third street, Milwaukee.

Voecks Made Secretary

G. A. Grossman, veteran secretary of the Lutheran Mutual Aid of Waverly, Ia., has retired from active business. W. G. Voecks, the actuary, has been chosen secretary. The triennial convention will not meet until 1934 and hence

no regular successor will be elected until that time.

He is the son of Albert Voecks, Appleton, Wis., secretary of the Aid Association for Lutherans, with which organization W. G. Voecks was connected before going to Waverly two years ago.

Dr. Carlisle Resigns

Dr. G. L. Carlisle, medical director of the Fidelity Union Life of Dallas since its organization in 1928, has resigned.

Moves Office to Chicago

The Bankers Life & Casualty of Springfield, Ill., has moved its home office to 4746 North Damen avenue, Chicago.

Receiver for Kokomo Company

C. T. Brown has been appointed receiver for the American National Assurance, an assessment life company of Kokomo, Ind.

Carried \$1,500,000 Insurance

The late J. W. Bettendorf, president of the Bettendorf Company, Bettendorf, Ia., large manufacturer of railroad cars, who died last week, carried life insurance estimated at approximately \$1,500,000.

ASSISTANCE



CONTINENTAL
CASUALTY • ASSURANCE
CHICAGO COMPANIES ILLINOIS

COMPLETE SALES COOPERATION

Continental facilities embrace more than the usual service to field men.

A broad range of modern coverages enables all agents to service practically every need.

Supporting this salable merchandise is the personal cooperation of department heads, the seasoned advice of experienced executives, practical sales help and profitable, proven, effective, advertising assistance.

Continental sales cooperation, like Continental DURABILITY, is complete.



Jefferson Standard Men Are Making Money
THROUGH

Planned Campaigns

- | | |
|---|---|
| <p>1</p> <p>10-weeks Spring Offensive
—March 20-May 27</p> <p>2</p> <p>Free Direct Mail
10 letters each week</p> <p>3</p> <p>Personalized Letters
Over President Price's
Signature</p> | <p>4</p> <p>Several Types of Letters
Retirement Income, Family
Income, Educational,
Juvenile and Clean-up</p> <p>5</p> <p>Sales Appeal
High type folder enclosed</p> <p>6</p> <p>Follow-up Certain
Special listing system used</p> |
|---|---|

For Information, Address:
A. R. PERKINS, Agency Manager

**JEFFERSON STANDARD
LIFE INSURANCE COMPANY**

JULIAN PRICE, President

Greensboro, North Carolina

Grandview, Indiana
April 28, 1933

Bankers Mutual Life Co.
Freeport, Illinois

Gentlemen:

I wish to express my sincere thanks to you for the prompt attention which you gave to my claim in your Company on the death of my husband.

In these uncertain times it has been a revelation to me that the insurance companies could meet their obligations so quickly and in full.

Again I thank you and congratulate you on having such efficient officers and directors.

Yours very truly,

(Signed) Mrs. Hattie Craig

(UNSOLICITED)

LIFE AGENCY CHANGES

A. H. Bennell Gets Cleveland

Pittsburgh Manager of Mutual Life Gets Bigger Place—A. F. Haas of Baltimore His Successor

A. H. Bennell, manager of the Pittsburgh agency of the Mutual Life of New York, has been made manager of its Cleveland agency, succeeding Manager E. R. Ferguson in the latter city, Vice-president and Manager of Agencies Sargent has announced. Mr. Ferguson is retiring because of ill health.

Anton F. Haas of Baltimore succeeds Mr. Bennell as manager in Pittsburgh. Mr. Bennell was appointed manager in Pittsburgh in February 1931, after making an excellent record as a personal producer in the Cleveland field.

Mr. Haas was born in Baltimore. After attending Gettysburg College and later Johns Hopkins University, he joined a Baltimore finance corporation, leaving in 1925 to enter the Mutual Life's Baltimore agency as an agent. In 1927 he became district manager and in 1928 agency organizer.

Mr. Ferguson who leaves active service under the retirement plan, joined the Mutual Life in 1893 at its home office. He was appointed assistant agency cashier in Charlotte, N. C., in 1902, manager in El Paso, Tex., in 1906, manager in Charlotte in 1908, manager in Cincinnati in 1911 and transferred to Cleveland as manager in 1925.

T. R. Harrington

J. George Harty, general agent for the Berkshire Life for 14 counties in middle New York with headquarters in Syracuse, announces the appointment of T. R. Harrington as manager of the Binghamton, N. Y. office, just established. Mr. Harrington served as agency instructor in the Syracuse office beginning in October, 1932, and his outstanding work in this position led to his new appointment. The Harty agency is developing its territory with the appointment of a number of good men. It shows a substantial increase in paid business both for April this year and for the first four months of 1933 compared with the same period for 1932.

Walter E. Schaeffer

Walter E. Schaeffer, who becomes Cincinnati general agent of the Security Mutual Life of Binghamton, has had several years experience with the Equitable Life of New York, having been located at Painesville. He is a graduate of the University of Cincinnati and took post graduate work at Ohio State.

H. P. Allen

H. P. Allen, formerly of Texas, but for the past three years at Hopkinsville, Ky., has been appointed general agent of the Minnesota Mutual Life in the

east Texas oil district with headquarters in Tyler.

J. H. Klingler

J. H. Klingler has been appointed manager of the Life of Virginia at Houston, Tex., to succeed E. O. Hall who resigned to devote his full time to personal production. Mr. Klingler formerly was with the Reliance Life and Columbus Mutual Life.

J. L. Anderson

J. L. Anderson has been appointed southern California manager of the Pacific National Life of Salt Lake City, with headquarters at Los Angeles. He has been manager at Los Angeles of the Beneficial Life of Salt Lake for the past four years.

A. H. Boyce

A. H. Boyce, who retired several years ago as agency manager in Los Angeles of the California State Life, has returned to the business as manager of a new agency established by the California-Western States Life in Los Angeles, which will be known as the Central agency.

J. C. Gallegos

The Colorado Life, which has directed its agency work exclusively from the home office, will experiment in a limited way with managers in the field. J. C. Gallegos, Las Vegas, has been appointed state manager for New Mexico.

F. H. Schroeder

F. H. Schroeder, formerly with the Northern Life of Seattle, has been named manager for the Continental Assurance of Chicago in Portland, Ore., covering Oregon and southwestern Washington with offices at 735 Terminal Sales building. Mr. Schroeder was for ten years assistant manager of the Equitable Life of New York at Spokane, Wash.

Life Agency Notes

The Buffalo Mutual Life has appointed W. S. Fisher as district manager at Dayton, O., and W. H. Lehman at Greenville, O.

The American Reserve Life of Omaha, has appointed B. G. Marchi general agent at Fort Dodge, Ia. He has been with the Connecticut Mutual for two years. His territory will embrace six counties.

The following Western & Southern representatives have been placed in charge of their respective offices: E. D. Porter, Columbus, O.; John A. Williams, East Liverpool, O.; John G. Yocom, Brad-dock; Robert Kantner, Wapakoneta, O., and Clarence N. Coghlan, Ravenna, O.

AS SEEN FROM CHICAGO

HEARING ON QUALIFICATIONS

Considerable opposition to the qualification bill drafted by Superintendent Palmer of Illinois developed at hearings last week and this week before the house insurance committee. The advisory counsel of Illinois insurance organizations placed in Mr. Palmer's hands a completely rewritten bill. Two amendments were proposed by counsel for the Country Life of Chicago, one of these being to except the company on the theory it was organized for educational purposes among farmers. Inclusion of life insurance agents has brought much criticism. President Henry Abels of the Franklin Life of Springfield stated

the bill as drawn does not apply to life agents and a separate bill for life men was to be filed. A. A. Kruger, assistant secretary Millers National Fire, Chicago, said the \$5 license fee would develop retaliatory action from other states which it was estimated would cost that company alone \$10,000 annually. Due to the opposition on many counts there is now some question whether Superintendent Palmer will press for passage of the bill.

Among those who attended the hearing were President A. S. Schwartz of the Illinois Insurance Brokers Association, Manager W. O. Schilling of the United States Fidelity & Guaranty, Chi-

cago; N. P. Blanchard, immediate past president Illinois Association of Life Underwriters; Edward St. Clair, North American Accident, Chicago, and Norris Bokum, general agent Massachusetts Mutual Life, Chicago. The "trust fund" provision in Mr. Palmer's bill, according to an informed legal opinion obtained by Past President F. P. Lavin of the brokers' association, very likely would force agents and brokers to report company funds held in trust for the purpose of personal property tax, a requirement in one of the interrogatories in the personal property return. Illinois agents and brokers now in making the returns deduct all premiums held temporarily. It was the opinion that agents and brokers would have to pay tax on these funds if they were declared trust funds but would probably pass the bill along to the companies. This would require considerable extra bookkeeping.

YEOMEN MUTUAL MOVES

The Yeomen Mutual general agency of B. F. Provol in Chicago will move June 1 from the City Hall Square building to 134 North La Salle street. Mr. Provol will set up there complete agency and cashier's divisions, the office being entirely refurnished with steel and aluminum furniture and fixtures. Mr. Provol, whose agency since the appointment some four years ago has moved up from 15th to third place for the company countrywide, is starting a sales expansion program making much use of direct mail. He has 16 agents and his territory is Cook county.

TO DEBATE AGENTS' JOB

The subject "What Is the Agent's Job and Sources of Business?" will be discussed at a round table meeting of the

Life Agency Supervisors Association of Chicago in the Hamilton club, Friday noon. J. M. Murphy, Massachusetts Mutual, and F. H. Gross, Mutual Benefit, will lead the discussion.

CLUB CONSIDERS INVESTMENTS

The Life Insurance Trust Club of Chicago at its April meeting elected to membership Nathaniel Seefurth. President A. S. Ingersoll took up the estate of the late J. W. Good. His will had recently been redrawn and the option settlements in his insurance policies changed to an insurance trust. Vice-president E. R. Reynolds led a discussion on the investments of life companies. After presenting the nature and percentage of various investments by a number of representative companies he cited one which had 187,000 farm mortgages and stated that if the acreage were disposed of at \$17 per acre the company would come out whole. Another company's mortgages averaged \$40 per acre, considered a secure investment. The companies select only the best.

Of all railroad bonds issued, he said about 35% represented first liens against the railroad's assets. The companies' investments are all in this class. These holdings in one company represented 5.74% and if they were wiped out entirely they would not seriously affect the surplus. Investments in public utilities are very much in the same position, he said. Policy loans and government bonds constitute a substantial percentage of company investments and are gilt edged. One company was cited which purchased securities some time ago for \$110,000,000 which were valued at the market not long ago at \$108,000,000. Another company listed securities at \$153,000,000 which were valued at the market at \$158,000,000.

We Nominate For the Hall of Fame



... The school teacher who continued her cheerful "Good morning, children," even though she went for days without breakfast. . . . The graduate who confidently entered a business world under supreme handicaps. . . . The family that calmly made the best of a reduced income. . . . The laborer who uncomplainingly took "part time pay" rather than see his comrades laid off. . . . The clerk who didn't let successive salary cuts upset his pleasant temperament. . . . The banker who protected his depositors before all other interests. . . . The manufacturer and merchant who kept his plant running and doors open, in spite of financial loss. . . . The policeman who shot it out with bandits at the risk of his life for a few paltry dollars. . . . The public official who didn't count the votes he lost when he slashed government expenditures.

... AND NOT LEAST AMONG THEM the thousands of insurance salesmen who did not lose faith in the soundness and necessity of their business, but maintained unflinching service to their policyholders and their prospects.

AMERICAN CENTRAL LIFE INSURANCE COMPANY INDIANAPOLIS, IND.

AS SEEN FROM NEW YORK

By R. B. MITCHELL

NEW PLAN FOR PROSPECTS

The first of a series of three luncheons for prospects was given this week by R. G. Engelsman, general agent Penn Mutual Life in New York City. Each agent brought as a guest one or two prospects to whom the type of policy under discussion would apply.

The luncheon this week was devoted to business insurance. The speaker was Harvey Weeks, assistant vice-president Central Hanover Bank, who discussed business insurance from the policyholder's point of view rather than from the selling angle. After his talk the meeting was thrown open to questions from the prospects.

Introducing the speaker, Mr. Engelsman said his agency had received an unusual number of inquiries about business life insurance and this prompted the idea of a meeting at which no selling would take place at which a clear picture of business insurance would be presented by someone outside of the business of life insurance; where prospective buyers could ask questions without obligating themselves to buy.

LIBEL ACTION IS DEFEATED

The libel action for \$250,000 brought by R. B. Meisner against the New York City Life Underwriters Association, the Prudential, J. A. McNulty, chairman of the association's business conduct committee, and Leo Eisen, an agent of the Equitable Life of New York, has been decided in favor of the defendants after a two-day trial.

The plaintiff charged that an affidavit by Mr. Eisen relative to Mr. Meisner's attempt to replace a policy had caused the cancellation of an agent's contract which Mr. Meisner claimed to have with the Prudential, and that the linking of his (Meisner's) name with that of C. A. Legg, at that time recently convicted of violating the insurance law, constituted libel. Mr. Meisner also

charged that the Prudential by "publishing" the affidavit had kept him from getting a contract with other companies.

The defense argued that the statements were not defamatory and no proof of publication had been made. The decision is regarded as very important by life underwriters.

SHOULD USE SALES PRESSURE

Agents should not hesitate to put on selling pressure when they know they are right—that is, when they know the prospect needs the coverage and can pay for it, R. G. Engelsman, general agent in New York City for the Penn Mutual Life, told members of the New York C. L. U. chapter. He advised his hearers not to stress the service they were going to give while making a sale, but to make the sale and then give it afterward, thus creating a more unusual impression on the buyer. He cited examples to show the bad effect of promising service and then not following up by rendering it. He also urged simple selling methods, taking President Roosevelt's success as indicating the value of a simplified presentation.

WILL ISSUE VALUABLE PAMPHLET

The New York State Life Underwriters Association is about to issue a pamphlet containing digest of all information relating to section 55-A of the bankruptcy law and section 15 of the personal property law, both of which have an important bearing on insurance, the pamphlet will be very valuable to life underwriters of many other states, as 21 other states have laws similar to the New York statutes.

JOINS R. L. JONES AGENCY

E. R. Harrison, formerly with the Brooklyn office of the Aetna Life, has become associated with R. L. Jones, general agent of the State Mutual Life in New York City.



...for over 82 years

● In 1851 the Massachusetts Mutual issued its first policy. From that day to this its constant endeavor has been to furnish the best possible life insurance service at the lowest possible cost. That it has been successful is shown by the enviable reputation which the company enjoys among those who buy insurance and among those who sell it.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY SPRINGFIELD, MASSACHUSETTS

Organized 1851

More Than Two Billion Dollars of Insurance in Force

Fifty Million in Fifty Months

A Gain in Insurance In Force every Month since Beginning

This is the unequaled record of Country Life Insurance Company. Starting February 1, 1929, with its first policy, it completed more than Forty-Eight Million in force, and has enough in the mill unissued and unpaid to round out Fifty Million on May 1, 1933, the fiftieth month of its existence.

At the end of 1932 it was not only liquid with its entire investment portfolio in bond holdings, but it had no defaults, nearly Two Million in assets, and a 1932 mortality of 24.66% of the expected.

A lapse ratio of 10%.

Doing more than a million a month right through the moratorium. All participating policies, and all written in the State of Illinois. An unexcelled position of strength that means a future of untold development.

Country Life Insurance Company

L. A. Williams, Manager

608 South Dearborn Street, Chicago, Illinois

Back

of the Guaranty Life is Found

The impregnable Legal Reserve System
A strong financial foundation
The well seasoned Iowa insurance laws
Discriminately selected investments
A representative Board of Directors
An experienced Home Office management
Modern and liberal policy contracts
Officials who know the problems
An enthusiastic and hard working agency force

These constitute the very elements of permanency and progressive development. Tie to a company that is growing.

Desirable agency connections available in

Iowa

Minnesota

Colorado

Ohio

Lee J. Dougherty, President

Guaranty Life Insurance Co.

Davenport, Iowa

LIFE COMPANY CONVENTIONS

Hold Convention in Quebec

Mutual of New York \$250,000 Club to Gather at Chateau Frontenac June 2-3

The annual convention of the \$250,000 Club of the Mutual Life of New York will be held at the Chateau Frontenac, Quebec, June 2-3. After a session and luncheon the first day, Vice-President Sargent of the Mutual Life will present field club medals. The company's affairs will be discussed by President Houston.

Saturday after an address by a field man, a question box will be conducted by Assistant Actuary McLean, members of the agency department and speakers from the field. Following lunch there will be a demonstration, another talk by an agent and presentation of the sterling silver agency trophy by President Houston, the awarding of which to any agency three times will give permanent possession. President Houston and Vice-President Sargent will make closing remarks.

Arrangements for entertainment of women include a motor trip to Ste. Anne de Beaupre.

B. M. A. Regional Meetings

Business Men's Assurance agents from Texas and southern Oklahoma will meet May 26-27 at Dallas with W. T. Grant, president; J. C. Higdon, vice-president in charge of sales, and representatives from the underwriting, claim and possibly the sales departments.

June 9-10 Mr. Grant and Mr. Higdon will meet with Michigan, Illinois, Ohio and Indiana agents at Indianapolis and June 16-17 with agents from Kentucky, West Virginia and Tennessee, either at Lexington, Ky., or Louisville.

Brandt, Barnes at Cleveland

President U. S. Brandt and Frank L. Barnes, agency vice-president Ohio State Life, were speakers at a meeting Tuesday at Cleveland, attended by representatives from Akron, Ashland, Canton, Cleveland, Mansfield, Youngstown and other cities.

Sun Life Kansas City Meeting

John Nelson, supervisor of public relations, and George T. Bryson, inspector of agencies, Sun Life of Canada, were in Kansas City for a sales congress of Sun agents from western Missouri. Forty attended.

Tells 1934 Convention Plans

The Equitable Life of Iowa will hold its 1934 production clubs convention in July at White Sulphur Springs, W. Va.

Warns of Low Cost Policies

Superintendent Coffin of Connecticut Mutual Urges Agents in Chicago Convention to Sell for Permanence

Over-emphasis should not be placed on the low cost contract verging on term insurance merely because the income of many people is impaired, V. B. Coffin, superintendent of agencies Connecticut Mutual, declared in the company's regional sales congress in Chicago. While the low cost contracts may bring volume, there is no appreciable income in them for either company or agent. Public thought should be directed toward permanent, higher premium life insurance. Guaranteed incomes should be stressed. He said the agent should strike high, working down to the type of insurance best suited to the individual's needs and ability to pay.

Now is the time to "take the hearse out of the garage," he said. He finds agents have been talking such things as loans, cash values, etc., and in many instances the public is not being motivated to buy through such appeals. Sales must be dramatized. The agent must come down out of the realm of abstractions and back to life insurance fundamentals. A deliberate effort to dramatize must be made. The hearse idea or fear appeal, while it should not be too roughly applied, will go a great deal toward overcoming the present day buying apathy.

Sell Idea of Permanency

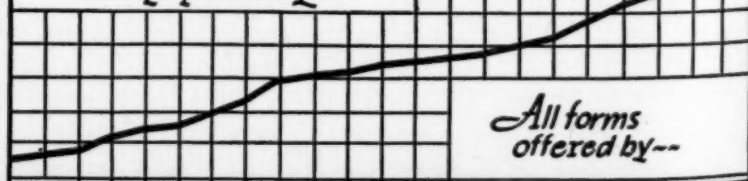
W. H. Pryor and E. A. Mueller of Milwaukee demonstrated the family income graded premium plan. R. B. Marsh of Chicago discussed the company's trust agreement. He said agents have been selling cash values and low rates and now should sell the proposition of building up financial security and leaving it alone so it will carry out the purpose for which it was bought.

H. J. Mershon and F. P. Beiriger of Rockford, Ill., demonstrated the sale of life insurance through the means of finding an irreducible minimum upon which a prospect expects his dependents to get along after his death.

A. L. Steele of Chicago urged agents to school themselves thoroughly in the purpose and methods of the business. He said agents today must be able to attract, hold, convince and motivate harassed negative minds. He said there is a strong appeal in educational insurance in view of the fact there are 1,000,000 young people in college today and uneducated men and women will meet more and more competition from those who are trained. He urged that emphasis be placed upon the lump sum check paid to the child upon graduation, and that it be pointed out this might

ANNUITIES

*are increasing
in popularity---*



*All forms
offered by---*

*The Lincoln National Life Insurance
Company Fort Wayne, Indiana*

enable the youngster to choose the sort of job that would insure him an auspicious start.

A. J. Ward of Chicago told of four dramatic experiences which made him believe in life insurance. R. C. Merson of Grand Rapids, Mich., also spoke.

Mutual Trust Club Meeting

The "Old Faithful" club convention of the Mutual Trust Life of Chicago will be held in that city Aug. 29-31.

News of Pacific Coast States

Merkle Heads Oregon Group

Prudential Man Elected President of Life Managers Association at Its Annual Meeting

PORTLAND, ORE., May 25.—At the annual meeting of Life Insurance Managers' Association of Oregon, H. J.



H. J. MERKLE

Merkle, Prudential, was elected president; J. O. Broleen, Provident Mutual Life, vice-president, and B. F. Alldredge, Northwestern Mutual, secretary-treasurer. Directors are Mr. Broleen; E. H. Groves, Equitable of New York; I. E. Herwin, Metropolitan Life; Mr. Merkle and R. L. Sherwood, Phoenix Mutual.

First Joint Agency Session in San Francisco Success

SAN FRANCISCO, May 25.—The first of a series of joint Monday morning agency meetings under the auspices of the San Francisco Life Underwriters Association was held May 22, with a record attendance. A number of offices showed 100 percent attendance. The program was in charge of the J. A. Sullivan agency of the Equitable Life of New York. A program of five short, snappy talks was given as follows: "Life Insurance as a New Deal," Harold Johnson; "The Necessity for Selling a Large Number of Small Policies," J. M. Hamill; "Succeeding in the Life Insurance Business with What You Have," W. P. O'Brien; "Retirement Annuity Policies for Women," Mrs. Hilda G. Gates; "Discontented but Satisfied," J. W. Baird.

It is planned to hold similar joint meetings at least one Monday each month the rest of the year, the programs to be prepared by various agencies.

Prosecute Unlicensed Solicitor

SALT LAKE CITY, May 25.—Commissioner Elias A. Smith, Jr., has com-

menced a vigorous campaign against unlicensed assessment life associations. In the first case prosecuted in the courts, the defendant, a Salt Lake City man, representing the American Aid Association of South Bend, Ind., pleaded that he had been informed by those who appointed him that he would need no license. On the agent's promising to cease soliciting in the future, Commissioner Smith consented to a suspended sentence, but said he hoped it would be a warning to others, as the department is determined to enforce the law.

All these concerns have been ordered to cease operations unless they apply for and can qualify for a state license.

Mutual Benefit Bill Vetoeed

The bill passed by the Colorado legislature proposing to place new mutual benefit associations under the control of the insurance department, has been vetoed by the governor.

Hamilton National in Utah

The Hamilton National Life of Los Angeles has appointed S. E. Cassity of Salt Lake City general agent for Utah, following the licensing of the company in that state. Mr. Cassity has appointed W. E. Evans sales manager.

AGENCY NEWS

Celebrates Twentieth Year

C. N. Anderson, General Agent New England Mutual, Will Have Agency Gathering at Cedar Lake

C. N. Anderson of Des Moines, general agent of the New England Mutual, 20 years ago opened Iowa for the company. The agency is celebrating its 20th anniversary with a meeting at Cedar Lake, Ia. Mr. Anderson has charge of the Iowa and South Dakota plant. Superintendent of Agents Hastings will be present from the head office. General Agents G. W. Noble of Omaha, L. E. King of Topeka and W. F. Noble of Omaha are the other guests.

The meeting will start Saturday afternoon and close Tuesday. There will be a business session Monday with an address by Mr. Hastings. On Tuesday there will be another session of addresses by General Agents L. E. King and W. F. Noble and Mr. Hastings. At the banquet Monday evening G. W. Noble will be master of ceremonies. General Agent Anderson has invited all the agents and their wives to be present. He will be featured at different times during the meeting.

Owen Agents Go "Over Top"

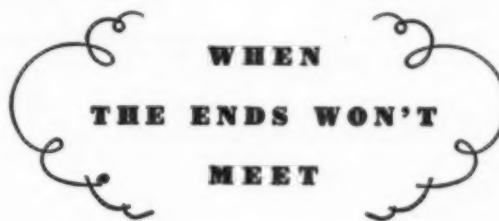
Detroit agents of the Sun Life of Canada went "over the top" in the 62nd anniversary contest, sponsored by Manager Ernest W. Owen, producing 92 applications for a total of \$309,389, or nearly 50 percent more than their quota.

Loomis in St. Louis

James Lee Loomis, president Connecticut Mutual Life, was in St. Louis May 20 to attend a sales congress and dinner as part of the celebration of the 25th anniversary of the entrance into life insurance of Stratford Lee Morton, a general agent there. Mr. Morton has spent all of his life insurance career with the Connecticut Mutual.

Texas Mutual Men Elect

At the annual convention of the Texas Association of Mutual Life Insurance Officials in Dallas the following officers were elected: W. S. Howell, Bryan, president; J. V. Singleton, Waxahachie, and W. C. Francis, Paris, vice-presidents and J. W. Patterson, San Angelo, secretary. Commissioner R. L. Daniel was a speaker. The next annual meeting will be held in Galveston.



There's a new answer to life insurance problems in the Mutual Benefit's new type of ordinary life contract. Constructed with a minimum investment element, yet avoiding the disadvantages inherent in term insurance, it offers the highest type of permanent protection at a minimum of initial outlay.

THE MUTUAL BENEFIT

LIFE INSURANCE COMPANY • NEWARK, NEW JERSEY

"SERVICE OF THE HIGHEST TYPE"

POLICIES WITHOUT A SUPERIOR: With over 100,000 Western Families owning policies in this Company, no better evidence could be offered that Western men and women appreciate the complete protection our policies afford for family, business and old age.

FOR AGENTS: Liberal contracts with life income provision, under District Manager System and Superior Home Office Service.

CALIFORNIA-WESTERN STATES LIFE
Home Office Sacramento

THE UNITED STATES LIFE INSURANCE COMPANY
Organized 1850 In the City of New York Non-Participating Policies Only
Over 80 Years of Service to Policyholders
Good territory for personal producers, under direct contract
HOME OFFICE: 156 Fifth Avenue, New York City

The A & H Review A monthly magazine for health and accident salesmen. \$2 a year.

NEWS OF LIFE ASSOCIATIONS

Wilson New Head in Illinois

Succeeds Blanchard as Association President at Annual Meeting and Congress in Bloomington

J. Hawley Wilson of the Massachusetts Mutual in Peoria was elected president of the Illinois Association of Life Underwriters at the annual meeting in Bloomington. C. F. Axelson, Northwestern Mutual, Chicago, becomes first vice-president; E. N. Hersch, Equitable of New York, Elgin, second vice-president, and L. P. Livengood, Danville, general agent Minnesota Mutual, was elected secretary-treasurer.

E. M. Ackerman, executive secretary Illinois Insurance Federation, was present as the guest of N. P. Blanchard, the retiring president, and told the members what is being done in Illinois to protect their interests during the legislative session.

The sales congress of the Illinois association with the Bloomington association as host was held Saturday. Mr. Blanchard presided at the morning session, President A. F. Hall, Lincoln National, discussed "Problems of Home Office Executives," and E. L. Carson, agency manager Equitable of New York in Milwaukee, spoke on "Current Stability of Life Insurance."

Sales Congress Speakers

After luncheon President Wilson of the state association presided and the new state officers were introduced. Vice-President H. W. Dingman of the Continental Assurance pointed out in a talk on "Physical Selections" the many ways in which a field man can assist the home office by getting facts about the medical condition and history of the applicant. J. P. McDowell, manager Retail Credit Company in Chicago territory, followed, explaining how agents can help in moral and financial selection in the field. He told how his company operates in getting information and said agents on the home ground can be of invaluable assistance in disclosing family history.

H. K. Schoch, general agent Aetna Life, Detroit, said time control and extra effort are needed today to maintain production. He gave the formula 40 hours, 40 calls and 10 interviews a week as a good plan to follow.

Chicago—Albert P. Steler of Detroit, a leading producer of the Mutual Benefit, addressed the Chicago association at its

June meeting on "Getting Five Cases a Week Regularly." A nominating committee was selected, with A. E. Patterson, past president, as chairman to draft a slate of officers for a mail vote. The next will be the annual meeting.

Appleton, Wis.—F. C. Hughes, Milwaukee, general agent Mutual Benefit Life, will address the first meeting of the recently formed association May 25, when constitution and by-laws and a name will be adopted. G. R. Wettengel is president. The association expects to become affiliated with the National association.

Eau Claire, Wis.—At a meeting here steps were taken to organize a local association, which expects to affiliate with the National association. About 30 attended and a committee of five was appointed, with Archie Hurst, National Guardian Life, as chairman, to draw up constitution and by-laws. A. A. Heald, Milwaukee, general agent Provident Mutual and state membership chairman for the National association, and W. F. Winterble, Madison, manager Bankers Life of Iowa, assisted in the organization. B. S. McGiveran, Eau Claire general agent Northwestern Mutual Life, was in charge of local arrangements.

Eau Claire is the fourth Wisconsin city where Mr. Heald has helped organize local associations, the others being Green Bay, Appleton and Sheboygan.

Wheeling, W. Va.—C. Vivian Anderson of Cincinnati, vice-president National association, spoke at a luncheon meeting with 80 present. O. J. Risor, president Wheeling association, presided.

Spokane, Wash.—A one-day sales congress will be held May 31. L. O. Schriver, Peoria, Ill., first vice-president National association, will speak at both morning and afternoon sessions. S. I. Snortum, field instructor Equitable Life of New York, will also speak. H. P. Chapin, president Spokane association, will open the congress.

Bluegrass (Lexington, Ky.)—New officers installed at the May meeting are: Edgar Richardson, president; E. H. Palmer, vice-president; John Ford, secretary-treasurer; R. C. Ware, national committeeman; H. T. Young, J. N. Wigginton and C. M. Rankins, directors.

Montreal—Holding that serious overcrowding exists in insurance selling today and advocating a more careful selection of new agents with a view to limiting their number, the Montreal association has addressed to all companies licensed in the province a resolution stating that the association seriously depre-

cates the great increase in the number of new agents, and pointing out that it would be in the best interests of the agents, the companies and the public if the number were greatly restricted. The resolution points out that there are approximately 3,515 agents licensed in the Montreal district.

Montgomery, Ala.—The May meeting was featured by a stereopticon sales demonstration by J. S. McRee and A. C. Wright of the Protective Life. Approximately 25 agents attended. An informal talk was given by Hopson Owens, representing a local newspaper, stressing the importance of agents properly appreciating their work.

Hastings, Neb.—The Hastings association welcomed the good-will caravan of Omaha and Lincoln general agents, visiting the various local organizations. Those at Hastings were R. A. Edmiston and William Logan of Lincoln, William Summers, F. N. Crossen and W. E. Riggs of Omaha. Mr. Summers acted as chairman for the visitors. E. H. Eldredge of Hastings, manager of the Union Central, was in charge of the arrangements.

Saginaw, Mich.—T. E. Rogers, Detroit, state superintendent Peoria Life, at the May meeting said that life insurance now holds the confidence of the general public to a greater extent than any other American institution. He said this confidence constitutes perhaps the chief asset of the business in these difficult times. He pointed out, however, that the confidence is justified by the fact that the business has survived 19 panics, increasing its strength steadily.

St. Louis—W. W. Williamson, Chicago manager Connecticut Mutual Life, will speak at a luncheon Friday on "Assets and Liabilities in Selling Life Insurance."

Northern New Jersey (Newark)—G. J. Gold of Zimmerman agency, Connecticut Mutual Life, was awarded a silver cup for the largest number of prepaid applications in Financial Independence Week and J. D. Clayton, Day & Cornish agency, Mutual Benefit Life, for the greatest volume of prepaid business the same week.

Officers will be elected and a vote taken on revision of the by-laws and constitution at the June meeting.

Ottumwa, Ia.—Lee Gillis, Cedar Rapids district manager Equitable Life of New York, spoke on mental attitude, mental energy and mental health. The Ottumwa association plans to hold a sales congress June 9.

Colorado—Nominations presented at the May meeting include Glen A. McTaggart, Denver, Prudential, for president; H. D. Reisa, Denver, Mutual Life of New York; L. E. Robins, Fort Collins, Franklin Life, and William Birney, Pueblo, Equitable of New York, for vice-presi-

dent; P. S. Jolley, Denver, Travelers secretary-treasurer, and J. E. Robinson, Denver, New York Life, chairman executive committee.

Council Bluffs, Ia.—A. W. Van Houten, Davenport, president Iowa State association, spoke at a special meeting on the growth and work of the various associations in the state.

Sioux City, Ia.—When an agent sells life insurance he must remember that he is not really selling insurance but rather is selling food, clothing, shelter and education. Mrs. U. S. Prichard, head of the National association's American family department, said at the monthly meeting, "Not 50 per cent of the heads of families who die in the United States leave enough of an estate to carry their families through for even a short time," she said. "Everyone realizes that the future of the American home therefore is dependent on life insurance."

She traced the connection between life insurance and the activity of the various women's clubs through her departments.

Davenport, Ia.—Paul C. Otto, general agent Connecticut Mutual Life, will be the next president. Other officers whose nomination is equivalent to election are Merle Van Epps, Penn. Mutual Life, and O. C. Hansen, Prudential, vice-presidents; Lumir Milato, Travelers, secretary, and Dick LeBuhn, Massachusetts Mutual treasurer.

Columbia, Mo.—The Columbia association has been organized by 14 agents. The officers are: R. G. Lehnen, general agent Missouri State Life; John Riley, Connecticut Mutual and Reliance Life, secretary, E. C. Cummings, American Life & Accident; treasurer, George Jackson, Equitable of Iowa. A meeting will be held May 26, at which time the membership is expected to be increased to 20, and constitution and by-laws will be adopted. C. O. Fischer, president of the new Missouri Association of Life Underwriters, will attend.

Lifting of Ban in June Is Opposed

(CONTINUED FROM PAGE 3)

are active in persuading and even compelling policyholders to either surrender their policies or procure cash loans for the purpose of reducing their indebtedness to the bank. In other words, he says, banks which are ostensibly operating on an unrestricted basis are reducing their credit at the expense of the insurance companies. The lifting of the moratorium, he offers, would greatly intensify this trend. Moreover, he points out, the country seems to be embarked on a course of inflation and however controlled this may be, it will undoubtedly be accompanied by speculation. The recent course of the stock market is indicative, he states.

Hoarding and Speculation

The primary purpose of the moratorium, according to this executive, was to prevent hoarding and speculation. Both tendencies still exist, the latter in a more aggravated form than was present when the moratorium was established. He expresses the belief that a gradual lifting of the moratorium is not desirable, if by this is meant that the specified limit on loans and surrender values shall be increased. Such an increase, he states, will have very little effect on the large companies, but would spell doom to many of the smaller companies.

This executive states that he would like to see the regulations recast. The present details, he states, could very well be eliminated and in their place there might be adopted a simple rule under which the companies would be empowered to decline to make loans or pay cash values unless they were satisfied that the loan or cash value was desired to meet an actual need. This would eliminate hoarding and speculation and would afford sufficient protection to all companies, small and large, he stated.

The executive of another eastern company expresses the opinion that if the lifting of the moratorium would mean receivership for a considerable number of companies in the west and south it

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should not be done on June 1. He states that his company has materially improved its cash position and its executives feel that they would be able to withstand any reasonable demand for loans and surrenders. Nevertheless, he states, if the lifting of the moratorium is going to put a number of companies in the hands of receivers it is conceivable and very probable that it would start a run upon all companies greater than they could meet. It was just this sort of thing, he points out, that required a general closing of the banks. Consequently, he states, the safe course is indicated and the moratorium should be imposed for a while longer.

This executive states there has been constantly a gradual lifting of the moratorium in that increase in amounts payable and additional items for which loans and surrenders may be made have been introduced. The moratorium, he states, is almost entirely lifted except for cases of hoarding. The moratorium is, however, having the effect that many people feel they can get no money on their life insurance so there is no use to try. Some have heard that about \$100 is all they could get and while many of them are taking this, many are putting in for increased amounts for taxes, interest, etc., and many more are not bothering with the attempt to surrender or make a loan. The life insurance interests, he states, have a common purpose which is to maintain the stability of life insurance and to protect all policyholders in all companies from not only loss of their values but loss of life insurance protection, which perhaps never can be replaced.

Another eastern executive expresses the belief that the older and stronger companies that are probably in a position to meet cash demands would be well advised to suffer the penalty incident to the continuance of the moratorium in an effort to prevent the rather widespread failure of the group of younger and smaller companies, provided that some definite steps were being taken looking to the orderly liquidation by way of reinsurance or through the refinancing of these companies within a reasonable time.

If no steps are to be taken, this executive expresses the belief it is not wise to bolster indefinitely institutions which are inherently unsound.

Life insurance, with its 12 billion of dollars of assets subject to call should be an essential problem for the national administration, this executive believes. There are three courses of action open. One is that the situation could be allowed to drift until a crisis is created and some action becomes unavoidable.

Consequences Are Seen

Or restrictions on withdrawals may be maintained and as circumstances require, more rigidly reimposed. If this is done, he states, it seems clear that it will shortly be necessary for life insurance to abandon any pretense that values are subject to cash withdrawals either in the form of cash values or loans. To abandon cash and loan values, he states, would mean that the insured would realize from the start that his policy, so far as its values were concerned, represented a participation certificate in the assets of a company and that he could not expect to get their equivalent in cash unless the company was in a position itself to cash the assets and at its option buy back his participation certificate. He would be in the same position as the holder of a bond which is only cashable at its maturity date and can only be converted into cash before that date if a purchaser is found. This would be a serious blow to the sale of life insurance.

The cash withdrawal feature has been so emphasized in the past few years that people have come to regard it as the essential feature of a life insurance contract. It would require revision of all policy contracts and new legislation in practically all states since most states have laws compelling the granting of surrender or loan values in policies.

A third course, this executive states, would be the setting up, under the aus-

In 1932

PROTECTIVE LIFE completed the twenty-fifth year of its history and the third year of the present depression,—

With its capital and surplus unimpaired;

With a *renewal* premium income only 1.2% less than the previous year and 4% greater than in 1929;

With total *premium* income only 2.1% less than the previous year;

With a *total income*, including premium and investment income, only 6.6% less than the previous year, which was the largest in the company's history, and 1.6% greater than in 1929;

With a decrease in total outstanding loans to policyholders.

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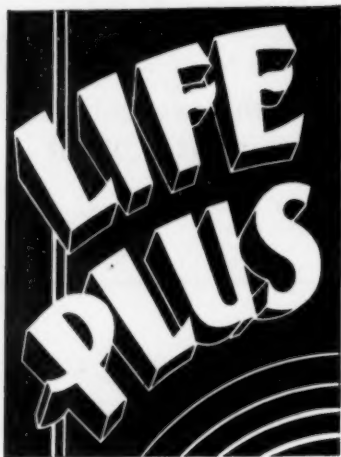
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REPRESENTATIVES of the State Life of Illinois are inspired by the increased business secured through the enthusiastic cooperation of our Policyholders.

A cooperative plan that produces prospects, resulting in a higher average of business per call enables our representatives to earn a steady income.

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pices and with the backing of the federal government, of an institution which would, as it related to life insurance, be the equivalent of a federal reserve system in banking.

The first and primary purpose of this institution would be to furnish a place where, as the necessity arose, life insurance companies could freely as a matter of course and without public criticism, pledge their securities for cash. Recognizing that in essence life insurance is and must be as much a part of the financial system of the country as banks, he states, there is no reason why their assets of the right type should not be used as a basis for currency exactly as the new currency provided in recent legislation.

Could Be Self Supporting

Such an institution, he states, could be amply self supporting, any possible expense being compensated for by the difference between the growing rate of interest on secured loans and the interest charged by life insurance companies.

The second function of such an institution would be to establish, beyond question, the confidence of the people in the life insurance companies affiliated with it. It would not be sensible or advisable, he states, that the central institution should attempt supervision of life insurance companies as to the detailed methods of their operations, such as the state attempts. It would, by the initial and periodical check ups, satisfy itself constantly that the assets of a company as to amount and character were sufficient to meet its liabilities.

In setting up any such plan, he states, there would be many companies, at present, that could not qualify. Such companies could be treated much as the banks that could not qualify for reopening have been treated. Some of them could continue in business on some limited basis. Some of them, by the introduction of new capital, plus any aid that is contemplated under a legislation already pending by the R. F. C. could rehabilitate themselves and some would have to be taken over and liquidated either through reinsurance or the normal process of administration.

Big Cash Demand

It should be emphasized, he states, that in the entire pool of national resources which is being created, the 12 billion of withdrawable cash in the hands of life insurance companies, representing 22 percent of the total amount subject to withdrawal on all institutions, is so big a factor that it cannot possibly be ignored. Sooner or later, he states, the people who are reshaping the national financial structure will get around to the life insurance companies.

The executive of another large company expresses the belief that if the moratorium should be lifted without publicity, there would be no difficulty experienced by the companies.

If the restrictions are lifted on June 1 and it is given wide publicity, many people will be led to withdraw funds that it would not otherwise occur to them to touch, he states. With the rise in the stock market, he states, the policy loan demands should go down and by fall, when some measure of prosperity will possibly return, it will in all probability be perfectly safe to lift the restrictions without destroying any policyholders' equities.

He expressed the belief that the proper course is to gradually relax the restrictions rather than to lift them all at once. The bad reaction shown by policyholders early in the moratorium was largely caused by the shock of the bank holiday and today this executive states he finds very little adverse reaction.

Postpone Until Fall

Still another executive of an eastern company expresses the belief that the lifting of the moratorium should be postponed until fall. Probably, he states, some of the restrictions should be modified as there are inequities in the present rules which are not satisfactory to administer.

The possibility of a broad inflationary

program that would rapidly change the commodity price level is by no means negligible, he declared. If it should come to pass that there were no restrictions there is great danger that a number of policyholders, he says, especially men of wealth and corporations would withdraw their life insurance equities and invest them in commodities, common stocks and other tangible property. Since a rapid increase in the commodity price level would tend to depress the market for the highest grade securities, the great danger of a movement of this kind is evident.

Transfer the Load

Also, he asserts, there is danger that conservators of closed banks and others desiring to realize on frozen bank credit would attempt, if they could, to transfer the load to the insurance companies. This, he states, is probably not as serious a menace relatively to the larger eastern companies as it is to those in the middle west. However, he declares, in the interest of the institution as a whole precaution should be taken against its coming to pass.

There is also the problem of companies whose assets are frozen at present but whose position will be greatly improved by a reasonable rise in the commodity price level, thus enabling borrowers to keep up with their obligations to the companies. If by giving a few months more time to these companies they can be removed from the danger zone, it is highly desirable that the course be followed.

The commissioners, he states, will undoubtedly have summarized for them the reports that are being made by individual companies each week to their own state departments and this should give a clear picture of the liquidity trend of the individual companies.

Southern Man's Views

The executive of a company, most of whose business is in the south, expressed the belief that considering the present improved conditions, any reasonable demand for cash could be absorbed and even though this brought about some inconvenience it would be more than offset by the great good accomplished.

This executive states that 75 percent of the policyholders of his company have free access to loan values and the demand is not extravagant, especially in view of the number of closed banks in the territory.

Expect Moratoria to Be Continued

(CONTINUED FROM PAGE 3)

mand with a view to conserving every dollar of liquid assets to which policyholders did not have a claim backed by real necessity.

The barring of demands not based on necessity is regarded as advisable for three reasons, to prevent hoarding, forestall speculation and discourage banks from inducing borrowers to repay loans by borrowing on or surrendering their life insurance.

The data now being assembled on companies' experience with policy loan and cash surrender demands, both before and after the restrictions went into effect, undoubtedly will be helpful to the commissioners in arriving at their decision in Chicago. The diversity of rulings in different states may be of some help also in indicating the effect of a greater or less degree of liberalization. The information is being compiled by a committee of the National Convention of Insurance Commissioners.

Fall Meeting of Actuaries

The autumn meeting of the Actuarial Society of America will be held at the Edgewater Beach hotel, Oct. 18-20. It will meet jointly with the American Institute of Actuaries in Chicago.

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desiring an excellent contract with an old established New England life insurance company writing all lines of life and accident and health policies should investigate the opportunities existing with this company. If you reside in the States of Michigan, Ohio, Illinois, Indiana, Iowa, or West Virginia, your application will be given our immediate consideration. Write today giving full particulars addressing your letter to Box No. X-37,

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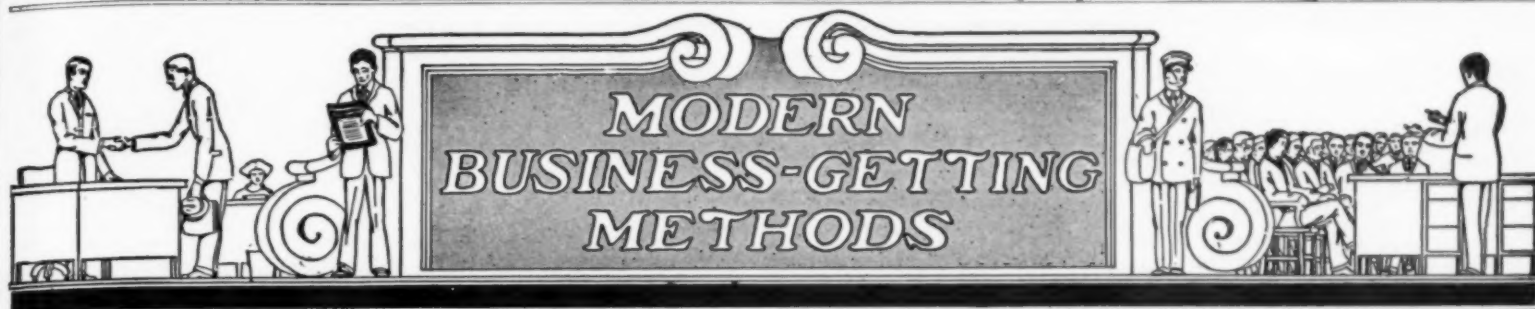
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Please send me information regarding your accident and health policies.

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Average Case Most Profitable for Agent in These Times

A misconception of where the market for life insurance lies may be the cause for the sales difficulties of the life insurance man, Albert P. Steler of the Mutual Benefit in Detroit, a large producer who for seven years led his company in number of lives insured, told the Chicago Association of Life Underwriters at the May meeting. It is gratifying to get the large application, but, Mr. Steler said, the late Winslow Russell, vice-president of the Phoenix Mutual, made a survey which indicated that almost invariably the average sale is the equivalent of one year's income. This being so it is difficult to maintain steady production by attempting to sell large contracts.

No matter how large the agency, Mr. Steler said, it will be found the real bulk of the business is produced by the average agent with average cases. He believes there never has been so great an opportunity for the average agent as now.

Says Selling Ability Is Least Important Factor

Success in selling life insurance, he said, is due only about 10 percent to selling ability, the other 90 percent involving methods, organization and plan of work. Lack of any of these may mean failure, especially since life men have no established routes and no certain class of people to call on.

While it is not possible to formulate a plan which can be applied successfully to all agents, there are, however, fundamentals which bring success. The successful life insurance man does the same thing in the same way day after day, though he may not be conscious he is doing so. This applies to the sales talk, which as used by the successful life agent may not have been prepared laboriously and written down on paper, but nevertheless follows a definite form.

Mr. Steler said it is necessary for life agents to keep on pushing these days. The power must come from within them. There is no one to help. Agents

must formulate plans and discipline themselves.

One way to increase volume is to increase number of lives insured. Mr. Steler said in these days of sales difficulties he finds he can maintain his production by not neglecting the number of lives. He strives toward completing his monthly quota of paid for by the 20th, leaving ten days to exceed the quota. Mr. Steler in preparing his prospect list sets down the amount which he is going to propose. If that prospect falls down in the interview Mr. Steler goes out and finds another prospect for the same amount. He even tells his prospects this is what he does and often finds this independent attitude results in a sale.

Secure Many Benefits from Selling Small Cases

The best part about going out after the average case is the fact that the smaller policyholders so often turn out buyers of larger amounts. It is fine to write the \$100,000 case, yet maybe the limit has been sold and barring an unusual turn of events the buyer is no longer in the market. With ten \$10,000 cases, Mr. Steler said, the agent has ten customers from whom future business may be secured, acting as centers of influence in ten places instead of one, with the result that the cumulative sales easily can represent a huge amount if the agent keeps on the job.

A big asset of the average business is that notes are almost a negligible item, whereas they are necessary on the larger cases. Another factor is lapse. Ten \$10,000 cases, he said, are bound to show a better lapse record than a single \$100,000 case, to say nothing of the death record. Many small cases really insure the agent's renewals. It should not be difficult for an agent to write at least an application a week. There is an element of pride in maintaining weekly production that materially helps the agent to succeed.

After consecutive weekly production is thoroughly grounded in the agent's

mind, an important thing to have is a plan or goal. Mr. Steler sets the total volume for the year which he feels reasonably certain of securing and then divides it into 48 weeks' work of six days a week. He has only to complete each week's quota to make his yearly total.

Time Is Worth Money Yet Agents Throw It Away

The use of time is the most important link in the chain. Agents would not throw money away, but many are very careless how they use their time. Mr. Steler said the average agent spends only about an hour a day actually in the presence of the buyers, even though he may work six, eight or even ten hours a day in preparation. Mr. Steler never goes to the office in the morning and rarely before 1 o'clock. However, he is out canvassing by 9:30 in the morning. He feels thus that he is starting out fresh, usually in a good mood and he is able to get in several calls before 1 o'clock. The agent who goes to the office in the morning may find unpleasant communications from the company, Mr. Steler said, and by the time that he gets out in the field the day is ruined.

Complete Daily Record of Calls Very Helpful

It is necessary for the agent to know what time in the day he is most effective in closing cases and then to make a point of having his interviews at that time. Mr. Steler keeps track of his calls, not counting calls where people were out or could not be seen, nor those purely for service. At the end of the week if his volume is off he usually finds the number of calls has gone down. If he has made the proper number of calls and has not got the volume, he knows something is wrong; he is either not in closing form or has spent too much time visiting or talking about subjects not related to life insurance. He usually sees between 30 and 40 people a week.

Mr. Steler last year closed 167 lives for more than \$800,000 in his company alone, the outside business running it over a million. In 1930 he sold \$1,128,200 on 218 lives, being 41 percent over his quota. He sold 30 cases in eight weeks, making 314 calls and 150 attempts to close. He is associated with the Johnston & Clark general agency of the Mutual Benefit.

Manager Tests Coin Bank; Sells Application a Day

It was worth \$50 or \$60 a day for F. J. Budinger, manager of the Franklin Life in Chicago, to try out the coin bank canvassing method. Mr. Budinger gave it a personal test of three weeks preliminary to introducing it among his agents. He made 48 calls, found 15 out, made only the approach to seven people, had ten incomplete and 16 complete presentations. He closed seven cases with \$630 premiums and volume \$17,500. All the cases were sold on retirement income form. Mr. Budinger obtained three excellent, two good and 15 fair prospects. He also secured 12 new leads. He prepared by sending 20 letters a week in advance.

His interview was simple, consisting of placing the bank in the prospect's hands, pointing out the difficulty of following a systematic saving plan other than through life insurance, and also a conservative investment plan that would net 5 percent. He pointed out that the average man would need to save \$24,000 to get a living income at age 60 or 65, whereas the life insurance plan gives the same results through saving only half that much.

Required Some Cash

The plan proposed called for putting 25 cents a day in the bank, paying a monthly premium and paying \$7.50 down with the application. He received the money with all applications and only one case was declined.

Mr. Budinger said three weeks' effort indicated clearly to him that a man of average intelligence who worked hard with such a definite plan could write an application a day, averaging \$80 to \$100 premium per case. Mr. Budinger spent only two days a week actively on this work, the rest of the time being occupied by general agency duties.

The occupations which he sold were a newspaper editor, proprietor of a dry cleaning shop, manager, assistant manager and clerk of a laundry, a dentist and a nurse.

The Mid-Continent Life of Oklahoma City is celebrating its silver anniversary with a drive for an application a week during the year by each agent.

Girard Life Insurance Company

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Has excellent General Agency openings in Ohio, Pennsylvania and Michigan

Generous first year and renewal commissions.
Low net cost policies.

We seek General Agents of high character and ability, who are willing to devote efforts to building a real General Agency.

When writing give us a fair word picture of yourself and your insurance experience.

Your correspondence will be treated confidentially until such time as we have your permission to make inquiry.

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Dear Sir:

It Concerns Contract Direct
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SEND ME THE MESSAGE

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No Better Territory
No Better Company
No Better General Agent's
Contract Than Our Service
Pension Contract

THE LAFAYETTE LIFE INSURANCE CO.

W. W. Lane, Secretary
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W. R. Smith, Field Vice-President
LAFAYETTE, INDIANA

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GENERAL AGENTS
in
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**St. Louis Mutual Life Insurance
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Originally Incorporated 1857
3640 Washington Blvd. St. Louis, Mo.

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the **square
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USE THIS COUPON!

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Madison, Wisconsin

I would like details of your square deal
contract.

Name

Address

City

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AGENCY MANAGEMENT

Old Men Must Make New Contacts, Says C. B. Metzger of Woods Agency

PHILADELPHIA, May 25.—The old agent who will not accept advice in the matter of contacts is on his way out of the business, C. B. Metzger, superintendent of the Edward A. Woods Company, Pittsburgh general agent Equitable of New York, told the May meeting of the life managers of the Philadelphia Association of Life Underwriters.

Mr. Metzger asserted that new contacts are essential to agents who were formerly successful. Many of their old contacts are meaningless today because such contacts are in the main financially embarrassed. The agent who refuses advice and declares, "That's the way I always did it," is in for trouble, said Mr. Metzger.

Veterans Become Blase

The danger of veteran agents becoming blase in their attitude regarding methods and records and of their disregarding prospecting fundamentals, was pointed out by Mr. Metzger. As an illustration, he cited the case of a veteran agent who had torn up old card leads and consigned them to the waste basket. A newer man in the Woods organization, noting the act, recovered the torn cards and sold seven policies from the leads.

Mr. Metzger declared that never was there a time when it was easier to obtain new men and that there never was a time when more cautious hiring was in order than today. He said that his own agency had interviewed 4,500 men

last year, issuing 195 contracts. This year, to date, 1,000 have been interviewed and 58 signed up as desirable agency material.

The Woods agency experience shows that a new agent should be able to finance himself for at least four months and preferably six. His agency, he said, had taken on men lacking funds "much to our regret."

Second Six Months Critical

The speaker asserted that the second six months of a new man's career is the critical period. In the first half year in the business, the new agent will usually sell some business to his friends and relatives. Then, with the easy leads exhausted, the slump comes and the necessary financial reserve becomes imperative. It is in the second half that the agent demonstrates to himself and his manager whether he belongs in the business.

Mr. Metzger declared that supervision of new agents and old ones never ends in his agency. Close attention is given every man for at least two years. The agency takes care not to let a man go as long as he makes an honest effort to succeed and his mental attitude is right. Every man in the Woods organization, new agents included, has a quota. Mr. Metzger stressed the fact that new agents should be started producing as quickly as is possible. "Take him out," he advised, "and close a case before the sun goes down. Show him how it is done."

Serious Questions Arise Over Lifting Moratorium

(CONTINUED FROM PAGE 3)

companies in the south and west do not want to see the moratorium lifted, although some feel that a few of the rules in certain states might be amended to the advantage of everyone. They are held to be more or less impractical in their application. Undoubtedly in the east, there is a stronger sentiment for lifting or modifying the moratorium, quite a bit although even there, many companies feel that the time has not arrived for any action. The consensus of opinion is that life insurance money should not be open to hoarding or speculation. Until the government at Washington decides on its financial policy there will be more or less doubt as to the future.

Want All Reasonable Demands Met

If the speculative fever continues and if inflation is brought into play whereby the prices of all physical commodities rise, naturally people will put their money in those concerns and their products that are going upward. This would mean that people would withdraw their money from savings banks and life companies. If, therefore, the lifting of the moratorium means a continuation of the same attack on policy equities as before it was established or even a more intense drive, some companies could not stand the pressure. The question naturally would arise if there were a number of life insurance failures, what would be the ultimate effect on even the strongest companies? This is a question that is causing much solicitude.

So far as the life executives are concerned they seem perfectly willing to open the way for all necessary demands. They do not desire to pave the way

for withdrawals for purposes that are speculative or where people desire to hoard. Some companies find that hundreds of policyholders got loans on their policies or surrenders merely to get insurance in other companies. This caused many lapses and great waste. While some of the companies in the east take the position that they should not be held back and restricted because of numerous other companies that may not be able to stand the strain, no one is able to forecast what would happen if a life insurance panic started.

Might Create Havoc

If life insurance company failures started and companies thoroughly well managed were engulfed and ruined that might start a run of serious dimensions on all companies. If, therefore, a second moratorium had to be established it would be far more disastrous than the existing one. The sentiment is growing that until conditions are stabilized and the fiscal policy of the government established it would be unwise to tamper with the moratorium in spite of the strong pressure from the field ranks.

Comment by a President

One company president, whose institution is in first-class shape, gives his opinion as follows:

"I am not in favor of lifting the restrictions entirely on June 1. I think it would be a very serious mistake. I have studied carefully the restrictions under which we are operating. While it is an easy, though very hazardous, matter to criticize unless you have something better to offer, yet, taken as a whole, I think the present restrictive regulations are about as good as could be prepared, granting that there are some defects. I would regret to see any material changes for the reason that we have been operating under these for some time and have, in a measure, ad-

justed ourselves to the situation. The public generally is fairly well informed as to the restrictions. Any modification would require further explanation and readjustments.

"At the present time the most annoying feature is the apparent disposition of some companies through their agency organizations to make it a competitive proposition. For illustration, in states where there are no restrictions, these companies through their agency organizations are advertising, quite vociferously, that they are making loans 'promptly and in full,' thereby casting some reflection upon companies that are not doing so. I think eventually it will do these companies and their agency organizations more harm, even in the so-called open territory, than it will benefit them. We are making every effort to comply with the full principle of the order without creating any hardship whatsoever on the policyholder. My own view of the matter is that the present restrictions should be continued and that all companies be required to announce to their agency organizations their intended compliance with the regulations so far as restrictions are concerned, thereby eliminating the competitive feature whether it be in a state operating under a local order or in a state which has no order. These orders should be made binding and should be enforced.

Not Questions for Agents to Decide

"The questions involved are not questions to be determined by agency departments or sales organizations, and, again I say, unless the supervising officials of the various states get together, recognize the situation and promulgate and approve a uniform order which includes enforced compliance therewith, I feel we have reached the point where our system of state supervision is breaking down. It does appear to me that they could see the situation clearly. It is not one that has been brought about by the insurance companies and they should not be called upon to do the banking business of the country. The big problem is conservation and the order does not include restrictions upon any other than the primary functions of life insurance companies. It should be continued and enforced."

Change Might Be Suicidal

One company executive calls attention to the fact that if there is to be a material upturn in security values many companies' problems will be just about solved. He thinks that a change of horses in the middle of a stream at the present time would be suicidal. If great publicity is given to the lifting of the moratorium and there is a recurrence of loans on companies, many will be forced to sell their securities on the market in order to meet demands. This will mean therefore that life companies instead of being buyers of good securities will be sellers. This will greatly affect the security market situation.

Furthermore this executive says that the failure of a life company is far more serious than any bank. The failure of a bank has a severe local effect. The failure of a life company may have a national effect. At least its failure involves large numbers of people located in different sections.

Mortgage Moratorium Extended

Governor Schmedeman of Wisconsin has signed the bill which extends the provisions of the mortgage moratorium act, passed earlier in the legislative session, to all types of mortgaged real estate property. The original act applied only to farms and homesteads.

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